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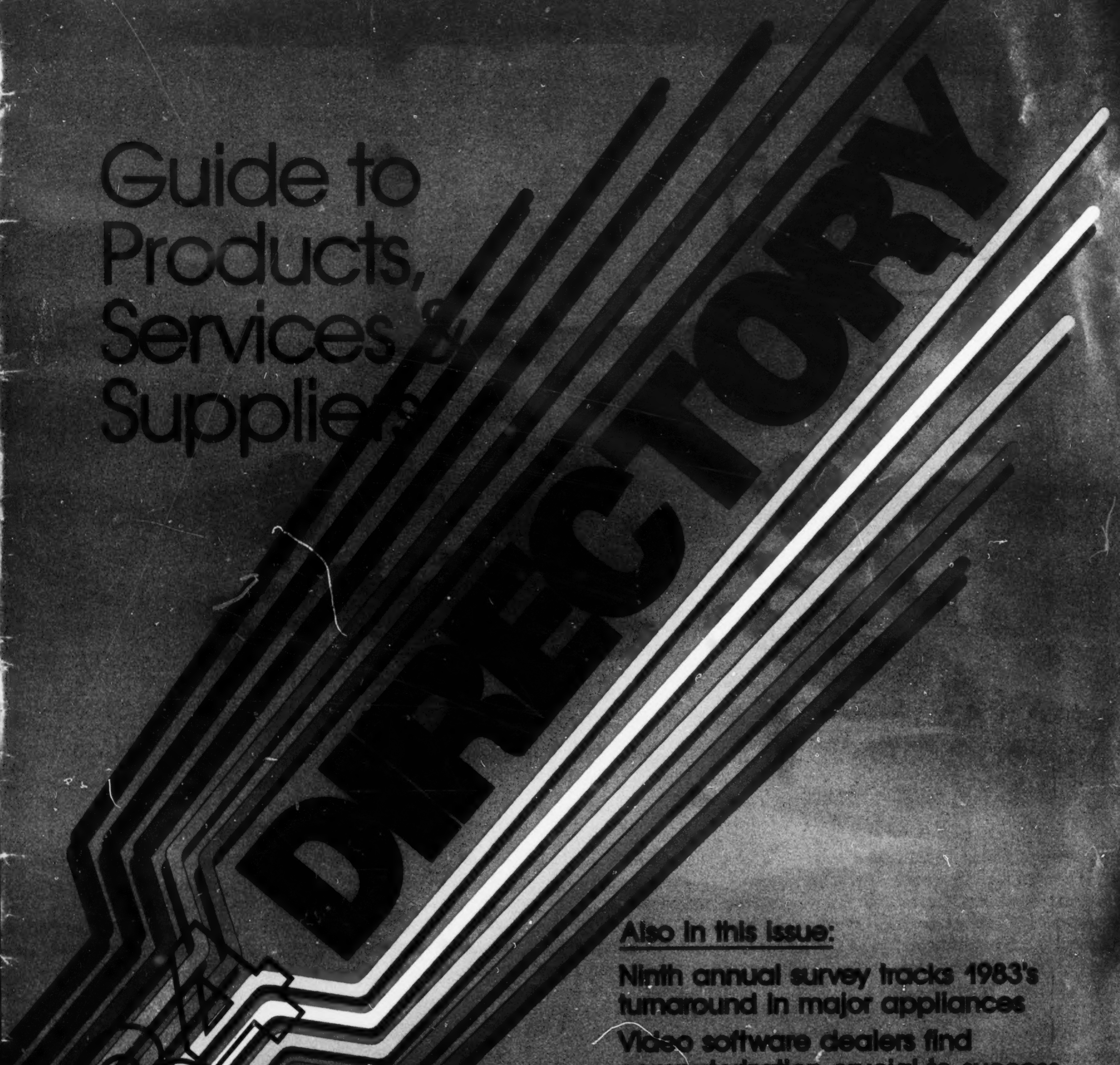
Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Guide to Products, Services & Suppliers



Also in this issue:

- Ninth annual survey tracks 1983's turnaround in major appliances
- Video software dealers find computerization crucial to success
- Stainless steel shines as cookware volume continues to climb
- Danger: You could be stocking too much computer software

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FOR OVER 56,200 RETAILERS & WHOLESALERS

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Vol. 8, No. 11

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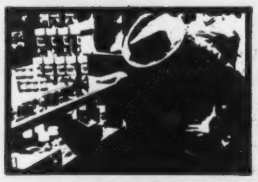

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NINTH ANNUAL '83 MAJOR APPLIANCE STATISTICAL and MARKETING REPORT

Consumers are drawn to featured, high-value appliances as economy rebounds, builder's and replacement markets soar

This year will probably go down as the year of the Great Recovery. In just about a complete reversal of last year's major appliance shipment figures—in which every category, even microwave ovens, reflected a decrease—practically every single appliance area will realize healthy gains this year, the exceptions being room air conditioners (expected to be down 16.2 percent) and freezers (-5.5 percent).

But on the plus side, the results are most optimistic. For example, shipments are expected to be up in electric ranges, 26.3 percent; microwave ovens, 32.6 percent; dishwashers, 23.9 percent, and dryers, 18.6 percent.

Why the sudden upturn? Ultimately, it all comes down to the bounce back of the economy and the lowering of interest and mortgage rates. After several sluggish seasons, the builder's market finally saw significant activity in new housing starts which should reach a level of almost 1.7 million units by the year's end. Going into each new home is a dishwasher, range and refrigerator. It's also been said that each move generates five others, promoting a lot of additional appliance sales.

What's more, because appliances are typically the last items to go into a new dwelling, those homes begun in the second half of this year won't be ready for appliances until next year, boding well for increased appliance needs right up through the second quarter of 1984.

Replacement purchases boom

Another significant portion of sales is being generated by the replacement market this year. Those in the industry point to the strong appliance activity of the late '60s and early '70s. Based on average appliance lifespans of 12 to 15 years, that means a lot of appliances are now ready for replacement.

This year, we saw the release of a lot of that pent-up demand. One industry supplier put this potential in perspective when he made reference to the millions of refrigerators, washers, dryers, ranges and dishwashers sold during the boom years of the 1960s and early '70s.

Other suppliers voiced similar thoughts. One mentioned that a survey by his firm showed that 33 percent of the ranges in today's homes are over 10 years old and bound to break soon. Another vendor reported that an estimated 30 percent of the nation's refrigerators are more than 10 years old—and that 25 million of them are teetering on the verge of collapse!

Well, a lot of appliances have been collapsing. A hot summer in many parts of the country overworked refrigerator compressors, boosting volume in this category. But generally, it was really that there was a lot more disposable income around for customers to replace not only refrigerators but the ranges, washers, dryers and dishwashers that they had held on to for as long as possible.

And now that they have returned to the market, the key words are quality and value. While medium-priced goods still are selling in tonnage, a lot of buyers are trading up in all product categories. The self-clean feature in ranges is constantly gaining market share. The more expensive high/low units with a microwave on the top are also moving briskly this year in retail operations.

Laundry products tend to be strictly dependent on replacement sales since washers and dryers are usually offered as an option to the new home buyer, not as part of the builder's package. But shipments here are on the increase, too—an expected 11.6 percent for washers; 18.6 percent for dryers.

There was a lot of talk about downsizing in the appliance market last year but we are seeing few indications of it in 1983. In fact, it is the larger and more expensive refrigerators that have been showing a growth trend. The side-by-side market and units 22 cu. ft. and over are what a lot of consumers have been purchasing in this trade-up cycle.

High-end features are also gaining strength. More of the refrigerator/freezers being purchased sport automatic ice makers and through the door ice and/or water.

Those consumers who have gotten used to a dishwasher are making sure they replace it when their unit breaks down. And here, too, trade ups are evident. More units with energy-saving cycles are being shipped as consumers demand features like hot water boosters, air dry and programmable cycles.

What comes next?

While most product categories have rebounded and there has been more emphasis on high-end features and conveniences, what can we expect for the coming seasons?

Electronic controls—the only really new innovation to be found on today's appliances—have generated minimal interest to date. Suppliers and retailers both say that the controls will have to provide more than just pushbutton convenience before the consumer will pay premium price for them. Greater diagnostic capability, less need for service, etc. will be necessary before many take this technology seriously on the appliances we know today.

Induction technology is another area stymied by price. A couple of years ago it looked as if there would be a major effort put forth by many suppliers to get induction on track. Today, most have placed this cooking mode on the back burner until the "price/value ratio is considerably improved."

But aside from the possibility of induction coming on-line in more mainstream cooking products and the increasing emphasis being placed on microwave/thermal cooking, the appliances we will probably see over the next few years don't promise to be dramatically different from what is being offered on retail floors today. And so long as the current boom in building, replacement and remodeling business continues, there's no real need for concern. But suppliers and retailers shouldn't succumb to complacency. In a few years those appliances purchased in the late '60s and early '70s will all have been replaced. Instead, the industry will be up against matching replacement sales from leaner appliance years.

It's time to start thinking of a futuristic appliance industry, one in keeping with the rapidly changing computer age in which we now exist. And one which will spawn products that will encourage consumers to buy, not because they need the item, but because they *want* it.

But changes don't happen overnight in the appliance business. Several months can be necessary to retool just for a new feature or coloration. A new product entirely would necessitate even longer lead time. The time to start developing the appliances of tomorrow is now so that they'll be ready to stimulate sales when the industry hits its next slump.

—Nancy Markov
managing editor/major appliances

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How We Did It

Statistical matter for this survey was compiled by Selma Book, market research manager, and Matea Esguerra, research associate.

The 1983 estimates in this report are based on information provided by leading suppliers, industry associations, U.S. government reports and other industry sources. The data was collected via mailed questionnaires, telephone and personal interviews and library research.

Following the collection of the information from cooperating sources, the "expected" 1983 vs. 1982 percentage changes were weighted by the judgment and expertise of *Merchandising's* researchers and editors. The "weighted" averages of these changes were then applied to the information reported for 1982 in *Merchandising's* issue of March 1983.

Since no company was requested to report on its own performance, the estimates represent a weighted consensus, rather than a "census," of industrywide projections for full-year 1983 as reported in October of that year. "Shipments" represent the estimated number of units that are expected to be available for sale in the U.S. (whether imported or domestically manufactured). Exports and beginning-year inventories of wholesalers and retailers are excluded from these estimates for 1983.

NINTH ANNUAL
MAJOR APPLIANCE
STATISTICAL and MARKETING
REPORT

Cooking

All cooking categories show pluses for 1983 as consumer purchases are no longer postponed until a later date

It's a "no-lose" situation in cooking products this year. Significant gains will have been realized in products ranging from freestanding ranges to built-ins to microwaves and convection/microwave units, etc. when 1983 draws to a close. Even smoothtop ranges are expected to edge ahead slightly.

As one of the most postponable purchases, a lot of consumers held off buying ranges in 1982. This year, however, medium-priced units are moving in tonnage. There is also increased interest in features like self clean. Plus higher priced goods like high/low units with a microwave on the top are making a real mark on sales.

Also setting new records is the microwave oven. Shipments are expected to jump ahead 32.6 percent for the year. And with 30 percent or less market saturation in this country, there's a lot of potential left.

Cooking appliances, total factory shipments

	1983	1982	% of Change
Ranges, electric, total	2,577,000	2,041,000	+26.3%
Freestanding	1,997,000	1,590,000	+25.6%
All others, total	580,000	451,000	+28.6%
Slide-in	132,000	103,000	+28.2%
Drop-in	108,200	85,000	+27.1%
Cooktop	175,000	136,000	+28.7%
Built-in wall oven	165,000	127,000	+29.9%
Ranges, gas, total	1,536,000	1,383,000	+11.1%
Freestanding	1,360,000	1,220,000	+11.5%
High oven	85,000	78,000	+9.0%
Built-in	91,000	85,000	+7.1%
Smoothtop ranges	104,000	103,000	+1.0%
Microwave ovens, total	5,570,000	4,201,000	+32.6%
Countertop/over-the-range, total	5,088,000	3,794,000	+34.1%
Countertop	4,499,000	3,334,000	+34.9%
Over-the-range	589,000	460,000	+28.0%
Combination units, total	280,000	245,000	+14.3%
Single cavity	39,000	35,000	+11.4%
Double oven, gas	33,000	29,000	+13.8%
Double oven, electric	208,000	181,000	+14.9%
Microwave/convection, total	202,000	162,000	+24.7%
Countertop	145,000	117,000	+23.9%
Full range size	57,000	45,000	+26.7%

Percent of microwave oven combinations shipped by type

	1983	1982
Single cavity	16%	16%
Electric double-oven	70%	70%
Gas double-oven	14%	14%

Percent of range shipments by size

	Electric		Gas	
	1983	1982	1983	1982
24 in. & under	10%	8%	12%	11%
30 in.	87%	87%	79%	79%
36 in.	2%	3%	8%	9%
40 in.	1%	2%	1%	1%

Percent of ranges shipped with cleaning systems

	Electric ranges		Gas ranges	
	1983	1982	1983	1982
Self-cleaning	44%	43%	15%	15%
Continuous-clean	17%	18%	28%	30%

Percent of range sales by type of outlet

	Electric		Gas		Smoothtop	
	1983	1982	1983	1982	1983	1982
Appliance/TV store	39%	41%	41%	41%	44%	42%
Builder/contractor	12%	10%	9%	7%	5%	5%
Catalog showroom	1%	1%	1%	1%	1%	1%
Catalog store (Sears, Penneys, etc.)	21%	22%	30%	31%	21%	23%
Department store	4%	5%	3%	3%	6%	8%
Discount store	3%	3%	4%	4%	2%	2%
Furniture store	3%	4%	7%	6%	2%	3%
Home improvement center	4%	3%	1%	1%	2%	2%
Kitchen remodeler	12%	10%	4%	5%	16%	13%
Other	1%	1%	0%	1%	1%	1%

Percent of microwave oven combinations shipped by retail price range

	1983	1982
Under $650	8%	7%
$650-$749	14%	14%
$750-$849	25%	25%
$850-$1,000	29%	29%
Over $1,000	24%	25%

Percent of countertop microwave oven shipments by retail price range

	1983	1982
Under $250	8%	7%
$250-$299	15%	14%
$300-$399	32%	30%
$400-$499	28%	29%
$500-$600	13%	15%
Over $600	4%	5%

Percent of microwave oven sales by type of outlet

	1983	1982
Appliance/TV store	37%	36%
Builder/contractor	2%	2%
Catalog showroom	4%	4%
Catalog store (Sears, Penneys, etc.)	28%	27%
Department store	7%	8%
Discount store	11%	11%
Furniture store	4%	4%
Home improvement center	1%	1%
Kitchen remodeler	4%	4%
Other	2%	3%

Percent of range shipments by color

	1983	1982
Almond	45%	44%
Avocado	2%	2%
Coffee	2%	2%
Coppertone	0%	1%
Harvest gold	5%	5%
Wheat	8%	9%
White	37%	35%
Black glass and other	1%	2%

NINTH ANNUAL
MAJOR APPLIANCE
STATISTICAL and MARKETING
REPORT

Cleanup

As housing starts rebound, so do dishwasher shipments; replacement and remodeling markets also boost volume

The dishwasher industry has benefitted on three fronts—the rebound of the builder's market, an improved replacement business and a revitalized remodeling segment. Consequently, the total category is expected to realize a gain of 23.9 percent to 2,702,000 units this year.

Virtually all new construction today contains a dishwasher. And housing starts could reach the 1.7 million mark for 1983. As a result, built-in dishwasher shipments should be far ahead of last year by 26.1 percent, up from 1,946,000 units. Builder-related sales will remain strong as new housing starts now reach completion. Too, this trend bodes well for this category going into 1984 since appliances are traditionally the last items to go into a new home. Dishwashers will be needed early next year for the housing projects being started now.

Another factor contributing to increased dishwasher shipments in 1983 is the need to replace many of the units installed in consumers' homes in the late '60s and early '70s. Certainly this is generating additional shipments to retailers.

So are remodeling projects. More of these are being undertaken this year thanks to an increase in disposable income, accounting for additional dishwasher purchases. Many people prefer to invest in their existing home, rather than purchase a new one. And a remodeled kitchen almost always means a new dishwasher.

But while more of these units may have found their way to dealers' floors this year, their retails haven't changed too much from those a year ago. Built-in models priced from $300 to $349 are expected to account for 25 percent of the units shipped, up only one percentage point from last year. This was at the expense of the $350 to $399 category which dropped one percentage point to 16 percent. Dishwashers priced from $400 to $450 should account for 15 percent of the models dealers receive.

Portables buck trend

Portable models, however, do reflect more of a shift to higher retails. Twenty percent of the portable units shipped this year are expected to sport price tags ranging from $350 to $400, compared with 18 percent in 1982. Over $400 units will probably account for 29 percent of the units shipped, compared with 28 percent last year.

One trend, however, is the increase in the percent of units shipped with energy-saving cycles. In 1983, this number should fall around 95 percent; in 1982, it was 93 percent. It's long been acknowledged that consumers are growing more concerned with features like hot water boosters (which heat the dishwasher's water even though the home heating system may be at a lower setting), air instead of heat drying and programmable cycles for delayed start and reduced water usage.

Another trend that has been evident, this one for the past several years, is where more dishwashers are being shipped with multipanel color packages—65 percent compared with 60 percent in 1982. The second color preference in dishwashers is again almond at 17 percent of the units shipped. This year, however, the color reflects a one percentage point slip from 1982's figure.

Cleanup appliances, total factory shipments

	1983	1982	% of Change
Cleanup appliances, total	6,318,000	5,051,000	+25.1%
Dishwashers, total	2,702,000	2,181,000	+23.9%
Portable	248,000	235,000	+5.5%
Built-in	2,454,000	1,946,000	+26.1%
Food waste disposers	3,436,000	2,693,000	+27.6%
Trash compactors	180,000	177,000	+1.7%

Percent of portable dishwasher shipments by retail price range

	1983	1982
Under $250	11%	13%
$250-$299	18%	18%
$300-$349	22%	23%
$350-$400	20%	18%
Over $400	29%	28%

Percent of dishwasher shipments by color

	1983	1982
Almond	17%	18%
Avocado	1%	1%
Coffee	1%	1%
Coppertone	1%	1%
Harvest gold	1%	2%
Wheat	2%	3%
White	8%	9%
Wood grain	1%	1%
Multicolor panel packages	65%	60%
Other	3%	4%

Percent of trash compactor shipments by color

	1983	1982
Almond	43%	41%
Avocado	1%	3%
Coffee	3%	4%
Coppertone	1%	2%
Harvest gold	5%	5%
Wheat	10%	10%
White	33%	32%
Wood grain	1%	1%
Other	3%	2%

Percent of built-in dishwasher shipments by retail price range

	1983	1982
Under $250	10%	11%
$250-$299	19%	19%
$300-$349	25%	24%
$350-$399	16%	17%
$400-$450	15%	14%
Over $450	15%	15%

Percent of dishwashers shipped with energy-saving cycles

	1983	1982
Energy-saving cycles	95%	93%

Percent of dishwasher sales by type of outlet

	1983	1982
Appliance/TV store	24%	26%
Builder/contractor	31%	28%
Catalog showroom	1%	1%
Catalog store (Sears, Penneys, etc.)	24%	25%
Department store	2%	2%
Discount store	6%	7%
Furniture store	1%	2%
Home improvement center	3%	2%
Kitchen remodeler	6%	6%
Plumbing contractor	2%	1%

Percent of trash compactor sales by type of outlet

	1983	1982
Appliance/TV store	26%	26%
Builder/contractor	21%	20%
Catalog showroom	1%	1%
Catalog store (Sears, Penneys, etc.)	27%	28%
Department store	10%	11%
Discount store	2%	2%
Home improvement center	3%	3%
Kitchen remodeler	10%	9%

Percent of food waste disposer sales by type of outlet

	1983	1982
Appliance/TV store	9%	9%
Builder/contractor	27%	28%
Catalog showroom	1%	1%
Catalog store (Sears, Penneys, etc.)	15%	17%
Department store	2%	2%
Home improvement center	9%	10%
Kitchen remodeler	11%	11%
Plumbing contractor	26%	22%

Fewer dishwashers were shipped to the builder/contractor market in 1982, but this situation changed for 1983. This segment should gain three percentage points, to 31 percent, the position it held in 1981. The outlets that are expected to lose ground this year are the appliance/TV dealers, down from 26 percent to 24 percent, and the catalog chains, down from 25 percent to 24.

The food waste disposer is another product whose success is often directly tied to the health of the builder's market. Shipments are expected to be up 27.6 percent this year to 3,436,000 units. But interestingly, it isn't expected that the builder/contractor segment of the market will gain share this year. In fact, it is estimated that it will receive 27, not 28 percent of the food waste disposers shipped to dealers this year. It is the plumbing contractor that should gain share this year with 26 percent of the units shipped, up from 22 percent in 1982.

This may mean that a significant percentage of the disposer shipments being sold are to replacement customers who now consider this product a necessity in the home. And plumbing contractors are the outlets that most often handle disposer repairs, making replacement purchases easiest for the consumer to transact in these operations.

Part of the plumbing contractor's gain in this category is expected to come at the expense of the catalog chain—down to 15 percent from 17 percent last year—and from the home improvement center.

NINTH ANNUAL MAJOR APPLIANCE STATISTICAL and MARKETING REPORT

Air Treatment

Air conditioner shipments are predicted to fall 16.2%, but the energy-efficiency story is gaining ground

Yes, a lot of retailers did have a spectacular room air conditioner selling season in 1983. So why the expected decrease in shipments to 2,302,000 units, a 16.2 percent drop?

The key reason is that most of the goods that sold this past summer were manufactured in 1982. A disastrous selling season that year meant a large carryover into 1983 and little need for additional production in many sizes and price points.

Of the goods that are being shipped for 1983, however, more of them are in the smaller sizes enabling consumers to "spot cool" a room. The category under 7,000 Btu's should account for 32 percent of the units shipped, compared with 31 percent in 1982. The range from 7,000 to 10,000 Btu's is expected to make up 28 percent of the units sent to dealers this year, up from 27 percent.

Because of specific rulings in some states and utility rebates in certain areas around the country, increasing numbers of today's air conditioner customers are energy-conscious. Consequently, more units with E.E.R.'s (energy-efficiency ratios) of 7.5 or over will be shipped for total 1983. Fifty percent of the goods shipped this year will sport high ratings compared with 47 percent in 1982.

Since high E.E.R. goods tend to cost more at point of purchase, this may be why an estimated 37 percent of the units shipped will sport retails of $351 to $550 compared with 35 percent in 1982.

Air treatment, total factory shipments

	1983	1982	% of Change
Air Treatment, total	2,986,000	3,417,000	−12.6%
Air Conditioners room	2,302,000	2,747,000	−16.2%
Air Cleaners, total	191,000	178,000	+7.3%
Portable (room type)*	54,000	55,000	−1.8%
Central & duct mount	137,000	123,000	+11.4%
Dehumidifiers	493,000	492,000	+0.2%

Retails for $500 or more

Percent of dehumidifier sales by type of outlet

	1983	1982
Appliance/TV store	28%	28%
Catalog showroom	1%	1%
Catalog store (Sears, Penneys, etc.)	27%	27%
Department store	16%	17%
Discount store	22%	21%
Furniture store	5%	5%
Home improvement center	1%	1%

Percent of dehumidifier shipments by capacity

	1983	1982
15 pts. & under	7%	9%
16 - 29 pts.	50%	51%
30 pts. & over	43%	40%

Percent of room air conditioner shipments by installation type

	1983	1982
Regular	88%	89%
Casement	3%	3%
Through-the-wall	9%	8%

Percent of room air conditioner shipments by size

	1983	1982
Under 7,000 Btu's	32%	31%
7,000 - 10,000 Btu's	28%	27%
11,000 - 19,000 Btu's	31%	32%
20,000 Btu's and over	9%	10%

Percent of room air conditioner shipments by retail price range

	1983	1982
Under $150	2%	2%
$150-$250	25%	26%
$251-$350	27%	28%
$351-$450	25%	24%
$451-$550	12%	11%
$551-$650	5%	5%
$651-$750	2%	2%
Over $750	2%	2%

Percent of room air conditioner sales by type of outlet

	1983	1982
Appliance/TV store	29%	28%
Builder/contractor	4%	4%
Catalog showroom	3%	3%
Catalog store (Sears, Penneys, etc.)	23%	22%
Department store	11%	13%
Discount store	25%	25%
Furniture store	2%	2%
Home improvement center	2%	2%
Kitchen remodeler	1%	1%

Percent of room air conditioner shipments by E.E.R.

	1983	1982
High (7.5 and over)	50%	47%
Low (under 7.5)	50%	53%

Refrigeration

Refrigerator shipments reflect growth of large-sized units and more high-end features as economy improves

Refrigerator shipments have rebounded and should show a unit gain for 1983 of 11.5 percent to 5,417,000 units. But not only are consumers back in this market, which dropped 13.2 percent last year, the units they're buying sport more energy-saving devices, more automatic ice makers, plus through the door ice and/or water. And more large-sized refrigerators will be shipped for the total year 1983—a reverse of what seemed to be the trend last year when mid-sized units gained share.

While last year's activity in downsizing may have been due in part to a swing to smaller homes, in many cases, it was probably due to the more-affordable price points of these models at a time when disposable consumer income was tight.

For as the economy has improved, appliance buyers have been purchasing larger and more expensive refrigerators. Of all the standard-sized refrigerators being shipped for 1983, side-by-side's should show the biggest percent gain—up 13.9 percent from 627,000 units in 1982.

And since side-by-sides are also the grouping sporting the largest cu. ft. capacity, no doubt this has contributed to the shift in more shipments of large-sized units this year. In 1982, 62 percent of the refrigerators shipped to dealers offered capacities from 6.5 to 17 cu. ft.; 38 percent ranged from 18 to 22 cu. ft. and over. Of the units being shipped for 1983, however, smaller sizes are expected to drop four percentage points to 58 percent. Refrigerators sporting capacities from 18 to 22 cu. ft. and over should account for 42 percent of shipments to dealers.

Percent of refrigerator shipments by size

	1983	1982
6.5 to 11 cu. ft.	3%	4%
12 - 13 cu. ft.	6%	8%
14 - 15 cu. ft.	25%	25%
16 - 17 cu. ft.	24%	25%
18 - 19 cu. ft.	21%	19%
20 - 21 cu. ft.	12%	11%
22 cu. ft. & over	9%	8%

Refrigeration appliances, total factory shipments

	1983	1982	% of Change
Refrigerators/freezers, total	6,849,000	6,373,000	+7.5%
Refrigerators, total	5,417,000	4,858,000	+11.5%
Top-mount (6.5 cu. ft. & over)	3,720,000	3,336,000	+11.5%
Side-by-side (6.5 cu. ft. & over)	714,000	627,000	+13.9%
Bottom-mount (6.5 cu. ft. & over)	89,000	84,000	+6.0%
Single-door (6.5 cu. ft. & over)	334,000	318,000	[illegible]
Compacts (under 6.5 cu. ft.)	560,000	493,000	+13.6%
Freezers, total	1,432,000	1,515,000	−5.5%
Chest (10 cu. ft. & over)	620,000	719,000	−13.8%
Upright (10 cu. ft. & over)	552,000	571,000	−3.3%
Compacts (under 10 cu. ft.)	260,000	225,000	+15.6%

Refrigeration

Percent of compact refrigerator shipments by size

	1983	1982
2 cu. ft.	31%	31%
3 cu. ft.	7%	6%
4.5 cu. ft.	38%	35%
4.6 - 6.4 cu. ft.	24%	28%

Percent of freezer shipments by size

	1983	1982
10 - 14 cu. ft.	27%	27%
15 cu. ft.	20%	20%
16 - 17 cu. ft.	23%	23%
18 - 19 cu. ft.	8%	8%
20 cu. ft. & over	22%	22%

Percent of compact freezer shipments by size

	1983	1982
4 cu. ft.	15%	9%
5 - 6 cu. ft.	23%	29%
7 - 8 cu. ft.	30%	30%
9 - 9.9 cu. ft.	32%	32%

Percent of refrigerators shipped with automatic ice makers

	1983	1982
Automatic ice makers	16%	14%

Percent of refrigerators shipped with through-the-door ice and/or water

	1983	1982
Top-mount	4%	2%
Side-by-side	28%	26%

Percent of refrigerator shipments by retail price range

	1983	1982
Under $300	4%	4%
$300 - $399	10%	10%
$400 - $499	20%	20%
$500 - $649	32%	33%
$650 - $800	18%	18%
Over $800	16%	15%

Percent of freezer shipments by retail price range

	1983	1982
Under $300	23%	23%
$300 - $399	39%	39%
$400 - $499	28%	27%
$500 - $600	7%	7%
Over $600	3%	4%

Percent of refrigerator and freezer shipments by defrosting system

	Refrigerators		Freezers	
	1983	1982	1983	1982
No-frost	84%	82%	8%	9%
All other	16%	18%	92%	91%

Percent of refrigerator and freezer shipments by color

	Refrigerators		Freezers	
	1983	1982	1983	1982
Almond	45%	42%	11%	10%
Avocado	2%	3%	1%	1%
Coffee	2%	2%	1%	1%
Harvest gold	1%	1%	1%	1%
Wheat	13%	15%	1%	1%
White	36%	36%	82%	81%
Wood grain	1%	1%	3%	5%

Percent of refrigerator and freezer sales by type of outlet

	Refrigerators		Freezers	
	1983	1982	1983	1982
Appliance/TV store	32%	33%	14%	14%
Builder/contractor	14%	12%	1%	1%
Catalog store (Sears, Penneys, etc.)	29%	29%	48%	47%
Department store	6%	8%	14%	14%
Discount store	5%	5%	14%	13%
Furniture store	5%	5%	4%	4%
Home improvement center	3%	2%	2%	2%
Kitchen remodeler	2%	1%	1%	1%
Other	4%	5%	2%	4%

Percent of compact refrigerator and freezer sales by type of outlet

	Compact refrigerators		Compact freezers	
	1983	1982	1983	1982
Appliance/TV store	24%	24%	19%	18%
Builder/contractor	1%	1%	1%	1%
Catalog showroom	9%	7%	5%	4%
Catalog store (Sears, Penneys, etc.)	35%	34%	41%	41%
Department store	9%	9%	11%	11%
Discount store	18%	18%	17%	16%
Furniture store	1%	1%	4%	5%
Home improvement center	1%	1%	1%	1%
Kitchen remodeler	1%	1%	0%	0%
Other	1%	4%	1%	3%

Percent of compact refrigerator shipments by retail price range

	1983	1982
Under $120	32%	31%
$120 - $149	30%	21%
$150 - $180	27%	29%
Over $180	11%	19%

Percent of compact freezer shipments by retail price range

	1983	1982
Under $190	6%	8%
$190 - $210	24%	22%
$211 - $240	36%	34%
$241 - $280	22%	22%
Over $280	12%	14%

Percent of refrigerators shipped with energy-saving devices

	1983	1982
Energy-saving devices	89%	87%

NINTH ANNUAL
MAJOR APPLIANCE
STATISTICAL and MARKETING
REPORT

Laundry

Washers and dryers both are on the upswing in '83, but compact laundry market remains relatively stable

Home laundry business is healthy in 1983 as the total category is expected to show a gain in shipments of 14.5 percent to 7,808,000 units.

Automatic and semi-automatic models measuring 25 in. or more in width will show the greatest gains in washers, up 13.2 percent to 4,204,000 units. But the wringer and spinner market will continue to decline. This segment is expected to drop 33.8 percent this year to 51,000 units. Significant here is the fact that one major supplier has ceased making this product.

In dryers measuring 25 in. or more in width, strong gains will be advanced by electrics, which are expected to grow 21.4 percent to a total of 2,460,000 units. Gas dryers will also show a healthy increase of 14 percent to 668,000 units.

Activity in compact laundry, though, is pretty stable. Gains here are expected to be small. Compact washers measuring 24 in. or less in width are pegged for a gain of two percent to 257,000 units. The growth in compact dryers will be smaller—1.2 percent to 168,000 units.

Features don't change

But while more washers and dryers will have found their way to retail floors this year, there are few if any significant changes in features.

Large-capacity washers are still today's customer's first choice. Units that can handle 16 lbs. will again make up 20 percent of the washers shipped. But the bulk of sales are in units that handle loads of 18 lbs. and over—49 percent.

Internal electronic controls will register a slight decline on the washers shipped this year from 10 to nine precent since most washer purchasers are happy with a basic workhorse of a product—one with large capacity and good performance. In dryers, electronic controls will gain slightly. They were a feature on nine percent of the units shipped last year; this year, the number is 10.

Automatic fabric settings are also becoming more important for some dryer customers. This feature will be found on 68 percent of the models shipped, compared with 65 percent in 1982. Consequently, time-dry is found on 32 percent of the models suppliers are shipping to retailers this year.

Percent of washer shipments by capacity

	1983	1982
12 lbs. & under	17%	17%
14 lbs.	14%	14%
16 lbs.	20%	20%
18 lbs. and over	49%	49%

Percent of washer and dryer shipments by color

	Washers		Dryers	
	1983	1982	1983	1982
Almond	26%	25%	28%	27%
Avocado	1%	1%	1%	1%
Coffee	0%	1%	0%	1%
Harvest gold	3%	3%	4%	4%
Wheat	3%	5%	4%	5%
White	67%	65%	63%	62%

Percent of washer and dryer shipments by internal control type

	Washers		Dryers	
	1983	1982	1983	1982
Electronic controls	9%	10%	10%	9%
Mechanical controls	91%	90%	90%	91%

Percent of washer and dryer shipments by number of cycles

	Washers		Dryers	
	1983	1982	1983	1982
1 - 2	29%	29%	33%	33%
3 - 4	70%	70%	66%	66%
5 or more	1%	1%	1%	1%

Percent of washer and dryer sales by type of outlet

	Washers		Dryers	
	1983	1982	1983	1982
Appliance/TV store	34%	34%	34%	34%
Builder/contractor	4%	4%	5%	5%
Catalog showroom	3%	3%	3%	3%
Catalog store (Sears, Penneys, etc.)	39%	39%	38%	38%
Department store	8%	8%	8%	7%
Discount store	8%	8%	8%	9%
Furniture store	4%	4%	4%	4%

Home laundry appliances, total factory shipments

	1983	1982	% of Change
Laundry, total	7,808,000	6,821,000	+14.5%
Washers, total	4,512,000	4,043,000	+11.6%
Auto & semi-auto (25 in. or more in width)	4,204,000	3,714,000	+13.2%
Wringer & spinner	51,000	77,000	−33.8%
Compact washers (24 in. or less in width)	257,000	252,000	+2.0%
Dryers, total	3,296,000	2,778,000	+18.6%
Electric (25 in. or more in width)	2,460,000	2,026,000	+21.4%
Gas	668,000	586,000	+14.0%
Compact dryers (24 in. or less in width)	168,000	166,000	+1.2%

Percent of washers shipped that are portable

	1983	1982
Portable	5%	6%

Percent of dryer shipments by type

	1983	1982
Automatic fabric settings	68%	65%
Time-dry	32%	35%

Percent of compact washer and dryer sales by type of outlet

	1983	1982
Appliance/TV store	48%	48%
Builder/contractor	1%	1%
Catalog showroom	5%	5%
Catalog store (Sears, Penneys, etc.)	14%	14%
Department store	11%	11%
Discount store	11%	11%
Furniture store	10%	10%

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

		Last month's position	Months on chart
1.	**Flashdance** *(Paramount)*	3	2
2.	**48 Hours** *(Paramount)*	1	4
3.	**The Man from Snowy River** *(CBS/Fox)*	14	2
4.	**Bad Boys** *(Thorn EMI)*	5	2
5.	**Porky's** *(CBS/Fox)*	2	3
6.	**The Verdict** *(CBS/Fox)*	4	4
7.	**The Outsiders** *(Warner)*	6	2
8.	**The Year of Living Dangerously** *(MGM/UA)*	—	1
9.	**Dr. Detroit** *(MCA)*	—	1
10.	**Sophie's Choice** *(CBS/Fox)* **GI**	7	5
11.	**High Road to China** *(Warner)* **G**	8	4
12.	**The King of Comedy** *(RCA/Columbia)*	18	2
13.	**Eating Raoul** *(CBS/Fox)*	—	1
14.	**Gandhi** *(RCA/Columbia)*	—	1
15.	**Beastmaster** *(MGM/UA)*	9	3
16.	**Tender Mercies** *(Thorn EMI)*	—	1
17.	**Without a Trace** *(CBS/Fox)*	—	1
18.	**Valley Girl** *(Vestron)*	—	1
19.	**An Officer and a Gentleman** *(Paramount)* **GPI**	12	9
20.	**First Blood** *(Thorn EMI)* **GI**	10	5
21.	**Windwalker** *(CBS/Fox)*	—	1
22.	**Spring Break** *(RCA/Columbia)*	—	1
23.	**The Toy** *(RCA/Columbia)* **I**	11	5
24.	**The Black Stallion Returns** *(CBS/Fox)*	—	1
25.	**Southern Comfort** *(Embassy)*	—	1
26.	**Table for Five** *(CBS/Fox)*	13	2
27.	**Mad Max** *(Vestron)*	18	4
28.	**Still Smokin'** *(Paramount)*	17	3
29.	**Final Countdown** *(Vestron)*	28	2
30.	**Six Weeks** *(RCA/Columbia)*	15	3

Top 10 in videocassette sales

1.	**Flashdance** *(Paramount)*	1	2
2.	**Jane Fonda's Workout** *(Karl)* **GPI**	2	18
3.	**48 Hours** *(Paramount)*	3	4
4.	**An Officer and a Gentleman** *(Paramount)* **GPI**	4	9
5.	**High Road to China** *(Warner)*	10	4
6.	**Porky's** *(CBS/Fox)*	5	3
7.	**Bad Boys** *(Thorn EMI)*	9	2
8.	**Grease** *(Paramount)* **GPI**	7	3
9.	**The Outsiders** *(Warner)*	—	1
10.	**Dr. Detroit** *(MCA)*	—	1

Top 5 in CED videodisc sales

1.	**Flashdance** *(Paramount)*	—	1
2.	**High Road to China** *(Warner)* **G**	4	2
3.	**48 Hours** *(RCA VideoDiscs)*	1	3
4.	**The Verdict** *(RCA VideoDiscs)*	2	4
5.	**Firefox** *(Warner)*	—	1

Top 5 in laserdisc sales

1.	**Flashdance** *(Paramount)*	—	1
2.	**48 Hours** *(Paramount)*	1	4
3.	**Firefox** *(Warner)*	2	2
4.	**Thunderball** *(CBS/Fox)*	—	1
5.	**High Road to China** *(Warner)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

EMBASSY

THE NEW MISADVENTURES OF ICHABOD CRANE One of the two initial releases in Embassy's Children's Treasure series, this program is a Halloween adventure story. *Color 30 minutes C: $24.95.*

THE RACOONS AND THE LOST STAR Full-length feature presenting "rising stars in the world of animation," also part of the Children's Treasure series. *Color 49 minutes C: $39.95.*

IRS VIDEO

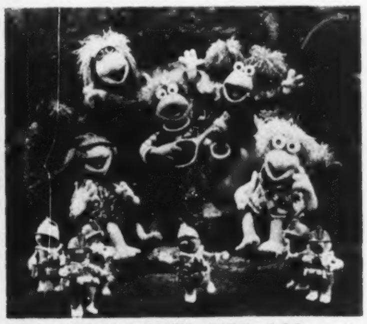
THE POLICE AROUND THE WORLD Concert footage of the popular rock group's 1981 international tour as well as scenes of the three members gallivanting through the streets of Japan, Hong Kong, Greece, Bombay, Cairo and other venues. Of certain appeal to the young. *Color 77 minutes Stereo & Beta Hifi C: $33.95.*

MONTEREY

BOOGIE ASSAULT The first rock video featuring the group Canned Heat, this program is timed to hit the market at the same time as its new album of the same title. *Color Stereo & Beta Hifi C: $39.95.*

A CELEBRATION Country music benefit concert for the late Dorsey Burnett. Performers include Glen Campbell, Kris Kristofferson, Tanya Tucker, Gary Busey and Maureen McGovern. *Stereo & Beta Hifi C: $39.95.*

MUPPET



FRAGGLE SONGS, VOL. 1 Muppet creator Jim Henson's newest characters, the Fraggles, bring home their own form of music video, with a touch of country, a bit of rock 'n' roll, some calypso and a bar or two of the blues. *Color 52 minutes C: $49.95 CED & LV: $24.95 (LV in December).*

PARAMOUNT

DELIRIOUS Eddie Murphy's sold-out summer concert tour is now available for home viewing. You're beautiful, Eddie. *C: $59.95 CED & LV: $29.95.*

THE MAN WHO WASN'T THERE Zany spoof on the invisible man theme. *Color C: $59.95.*

RAIDERS OF THE LOST ARK (1982) Paramount plans to do it again with the release of a box-office blockbuster to the home video market at the price we've all come to know and love—$39.95. Harrison Ford and Karen Allen star in the Spielberg and Lucas collaboration that produced the ultimate Saturday afternoon adventure show. *Color C: $39.95. Due Dec. 1.*

RCA/COLUMBIA

BLUE THUNDER (1983) Action-packed thriller starring Roy Scheider as a police helicopter pilot chosen to test the ultimate chopper. *Color R Stereo & Beta Hifi C: $79.95.*

NUTCRACKER FANTASY (1979) Puppet musical about a heroic mouse who rescues a beautiful princess from certain danger. Features the voices of Melissa Gilbert and Roddy McDowell and the music of Tchaikovsky. *Color G C: $39.95.*

QUADROPHENIA (1979) An adaptation of The Who's classic rock opera about fights between the Mods and the Rockers in peaceful English towns by the sea. *Color R Stereo & Beta Hifi C: $59.95.*

THERE'S A GIRL IN MY SOUP (1970) Peter Sellers and Goldie Hawn star in this comic love story. *Color R C: $59.95.*

VESTRON

BREATHLESS (1983) This remake of Jean-Luc Godard's original masterpiece stars heartthrob Richard Gere and Valerie Kaprisky. *Color R 105 minutes C.*

LADIES NIGHT OUT (1983) The Peter Adonis Traveling Fantasy Show turns the tables with this all-male burlesque show. *Color 80 minutes Stereo C.*

ULTRAFLASH! (1983) Inspired by guess-what-recent-hit, this dance-music entertainment program features flashy moves and a powerful beat. Available p-o-p includes workout towel with the Ultraflash! logo. *Color 60 minutes Stereo C.*

WARNER

THE MAN WITH TWO BRAINS (1983) Written and directed by Carl Reiner, this movie stars that wild and crazy guy, Steve Martin, as a surgeon who's torn between one woman's body and another's brain. Or is he? *Color R 91 minutes C: $69.95 CED & LV: $34.98.*

STRANGERS ON A TRAIN (1951) Alfred Hitchcock's classic about a demented playboy and a tennis star entangled in a series of "exchange murders." *101 minutes C: $59.95.*

STROKER ACE (1983) Burt Reynolds behind the wheel again as a stock car driver who tries to break his contract with a greedy fried chicken magnate. Co-stars that name-in-the-news Loni Anderson. *Color PG 96 minutes C: $69.95.*

Gear selection to salesperson's capacity to give informed pitch on software stocked

By Howard S. Rauch, editorial director

SAN DIEGO—Mental space!

It's a concept worth understanding in computer retailing, especially since it could be one reason why your software sales may miss desired projections.

In fact, a suspected mental space gap has prompted at least two major computer chains to chop software sku's. Other specialty retailers may follow suit.

Should such a trend pick up steam, it would provide an interesting, contradictory state of affairs. After all, software has been billed as a growth phenomenon. Supposedly, it should pick up the profit slack forfeited during the current spate of hardware price-cutting.

Whether or not mental space is to become a nationwide affair, it did receive some focus during Future Computing, Inc.'s third Computer Retail Forum. While the Forum is not directed towards conventional electronics retailers and mass merchants, these groups are affected by much of what was covered.

Aside from the software focus, for example, the Forum made it clear that the market is becoming more saturated at all retail levels. Computer specialists, aside from opening new stores at a rapid clip, are expanding leased operations via department stores.

Meanwhile, those electronics retailers now eyeing the low-end personal computer market—the $1,000 to $1,500 price range—need super sales training programs. Reason? They must contend with specialty stores that are investing heavily in professional sales staffs.

The above considerations aside, the computer market continues—for the moment—to grow like gangbusters. Many executives gathered for the Forum see no immediate, massive shakeout. But in the future, they hastened to add, retailers and manufacturers that have no long-range marketing plan will be among the early casualties.

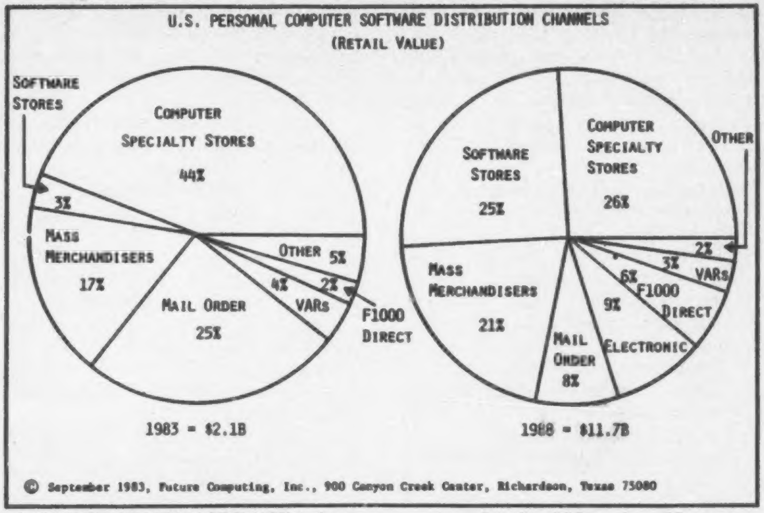
Mental space evaluated

"Mental space" was raised during a discussion of how retailers can best assess new hardware and software products. The "mental," explained panelist Len Simon, president, Computer City, pertains to how many different products "a salesperson can keep in his head."

If a store's sku selection exceeds a salesperson's mental space capacity, it was noted, the result is ineffective presentations on some product lines. Since potential software sku's outnumber hardware, mental space could become a significant sales deterrent. The solution, noted Simon and other retail panelists, is to slice the sku count.

Computer City, a California operation, has dropped three spreadsheet programs, reported Simon. "We started to eliminate some productivity packages that were being demonstrated once a month or once every two months," he said.

The infrequency of the demonstration did not keep salespeople sharp on presenting these products. Meanwhile, stressed Simon, a demonstration still ran 90 minutes. Invariably, the program was not sold—an obvious sales productivity deterrent.



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A 300 PERCENT INCREASE in home computer sales should be enjoyed by mass merchandisers during the next five years. Mass merchants will sell $1 billion in home computers this year, says Future Computing.

"People sell what they can demonstrate," agreed Joe Harmon, vice president of merchandising, CompuShop, Inc., a Texas-based chain. "Ten of our software titles do 58 percent of our business. The problem is that other programs were added after many of our salespeople were trained."

Harmon pointed out that for a software specialty store carrying more than 300 titles, the mental space problem could be even more pronounced.

Another often discussed aspect of mental space is a salesperson's desire to go for the big-ticket hardware order. Software doesn't offer comparable incentives. Therefore, the typical computer store salesperson is not inclined to bone up carefully on every program carried.

This rationale is believed to be the basis on which software-only outlets are expected to thrive. "The public needs a place where someone is willing and anxious to demonstrate software," declared William Ladin, chairman, Computer Craft, Inc. The 30-unit chain based in Texas currently operates three software stores, he said.

Sees lower customer expectation

Being able to speak authoritatively on every product carried may be less of a problem for software stores. Therefore, the mental space factor could remain more of a sales drawback for "hybrid" stores.

This possibility was raised by Future Computing, Inc. (FCI) president Dr. Portia Isaacson. In her presentation focusing on the personal computer market, Isaacson put it this way:

"If a computer store sells software, the customer has a higher expectation that the store is knowledgeable on each package. In a software store, the expertise expectation is lower."

FCI estimated that 175 software stores were operating as of August 1983; 45 percent are franchised outlets. Store locations by state follow the typical computer specialty store pattern—24.4 percent of software outlets are in California, another 14.8 percent in Texas.

One deviation from the pattern is the present strong showing in New

(Continued on page 62)

Recheck sales policies to avoid legal doghouse, warns attorney

SAN DIEGO—"Legal hazards of other retail businesses are here. If you violate anti-trust laws, the other guy gets treble damages plus attorney fees."

This warning was issued by Richard (Erik) Gordon, an Atlanta attorney, in winding up a presentation on "Legal Opportunities and Pitfalls in Computer Retailing."

Gordon's presentation covered the hazards of price-fixing, incorrect warranties made by salespeople and fuzzy ads. Among Gordon's points were the following:

- Avoid false advertising. Don't show a $79 unit, for example, purported to do double-entry bookkeeping. Don't give a price in an ad that contains illustrations of several peripherals if the peripherals cost extra.
- If a [illegible] demonstration is misleading, you can be hung on a warranty rap. For example, you court trouble if you demonstrate a software package "on a configuration other than what the consumer will buy." Salespeople should not answer questions if they are unsure of their facts regarding product performance.
- Any dealer suspecting that he has been cut off from a particular product line through competitive collusion should keep records in writing pertaining to the problem.
- Don't threaten a manufacturer that you will drop his line unless you receive a more favorable price break.

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COMPUTERS/NEW RELEASES IN SOFTWARE

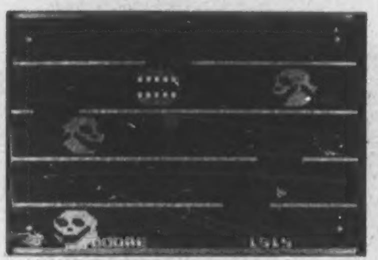
VIDEOGAMES

BEAMRIDER, Activision. Intellivision-compatible. Available now. Suggested retail $34.95.
FROSTBITE, Activision. Atari 2600-compatible. Available now. Suggested retail $31.95.
MOUNTAIN KING, CBS Electronics. Atari 2600-, 5200-compatible. Available now.
OMEGA RACE, CBS Electronics. Atari 2600-compatible. Available now.
PIE MAN, Penguin Software. Atari 2600-compatible. Available now.
POOYAN, Datasoft. Atari series-compatible. Available now. Suggested retail $34.95.
PRESSURE COOKER, Activision. Atari 2600-compatible. Available now. Suggested retail $34.95.

COMPUTERS

GAMES

AIRPORT, The Software Toolworks. DEC-, Kaypro-, Osborne-, Xerox-, Heath/Zenith-compatible. Available now. Suggested retail $19.95.
BLADE OF BLACKPOOLE, Sirius Software. Commodore 64-, Apple II series-, Atari 800/1200-compatible. Available now. Suggested retail $39.95.
CRASH DIVE, Fox Video Games. Atari 400/800-compatible. Available now.
FUEGO, United Microwave Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.
GRANDMASTER, United Microware Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.
GRUDS IN SPACE, Sirius Software. Commodore 64-, Apple II series-compatible. Available now. Suggested retail $39.95.



JAWBREAKER, Texas Instruments. TI series-compatible. Available this quarter. Suggested retail $39.95.
JUICE, Tronix Publishing, Inc. Commodore 64-compatible. Available now.
M*A*S*H, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available this quarter.
MOTOR MANIA, United Microware Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.
PENNANT DRIVE, United Microware Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.
PENTAPUS, Turning Point Software. Apple II series-compatible. Available now. Suggested retail $29.95.
PORKY'S, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available now.
RENAISSANCE, United Microware Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.
REVENGE OF THE BEEFSTEAK TOMATOES, Fox Video Games. Atari 400/800-, VIC 20-compatible. Available this quarter.
SNAKE BYTE, Sirius Software. Apple II series-, Atari 800/1200-, VIC 20-compatible. Commodore 64-compatible on disk. Available now.
SQUISH 'EM, Sirius Software. VIC 20-, Atari 400/800/1200-compatible. Available now. Suggested retail $19.95.
STAR BATTLE, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail $24.95.
WORLD FEUD, United Microware Industries, Inc. Commodore 64-compatible. Available now. Suggested retail $34.95.

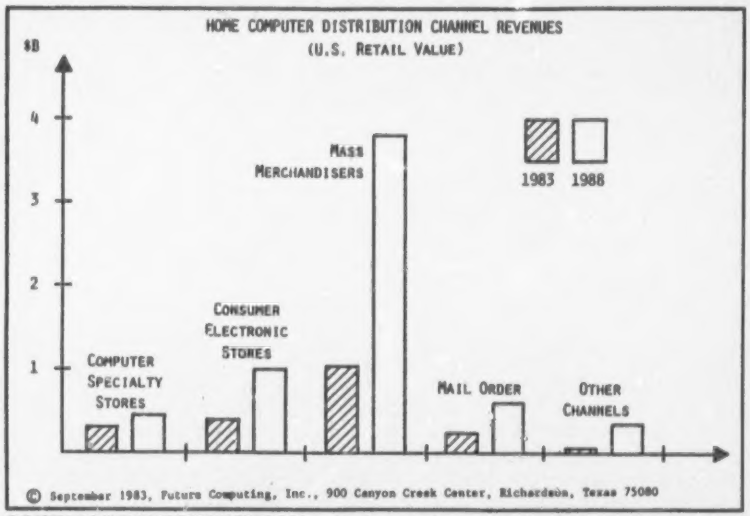
LEARNING

PRESS
S:SMILE W:WINK
F:FROWN C:CRY
-:DELAY
T:TUNGUE
E:EAR WIGGLE
PRESS ENTER TO
SEE YOUR PROGRAM
B-BUILD P-PROG G-GAME M-MENU

FACEMAKER, Texas Instruments. TI 99/4A-compatible. Available this quarter. Suggested retail $39.95.
MATH DUAL, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail $19.95.
SPEED READER II, Davidson & Associates. Commodore 64-compatible. Available now. Suggested retail $69.95.
STORY MACHINE, Texas Instruments. TI 99/4A-compatible. Available this quarter. Suggested retail $39.95.
TINY TUTOR, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail $19.95.
TK!SOLVER, Software Arts. Wang Professional Computer-, IBM PC-, DEC 350, DEC Rainbow-compatible. Available now.
TYPE ATTACK, Sirius Software. Atari 800/1200-, Apple II series-, Commodore 64-, VIC 20-compatible. Available now. Suggested retail $39.95.
VIC SKETCH, Computer Software Associates. VIC 20-compatible. Available now. Suggested retail $14.95.

HOME MGT.

TIME IS MONEY, Turning Point Software. Apple II Series-compatible. Available now.



SOFTWARE DISTRIBUTION will change dramatically during the next five years, according to Future Computing, Inc. Mass merchandisers will gain greater market share.

21% of software sales projected for mass merchandisers in 1988

(Continued from page 60)

Jersey, which has 11.8 percent of software stores, slightly more than New York. (*Editor's note: As explained later on in this article, the "big five" states for conventional computer stores are California, Texas, New York, Florida and Illinois.*)

The average software store's monthly sales volume, said FCI, is $27,000; the median is $25,000. Average monthly volume for stores in business three months or less is $14,000.

By 1988, it's projected that mass merchants will account for 21 percent of software sales, compared to 17 percent in 1983. Meanwhile, software stores will zoom from three percent of the pie this year to 25 percent by 1988.

As usual, FCI's Isaacson presented a carload of other new projections on where the computer business is heading. Some excerpts:

- By 1988, the worldwide home computer hardware market (retail value) will reach $9.4 billion. This compares to a projected $2.6 billion by year-end 1983.
- The combined software volume serving office/personal and home computers will reach $11.7 billion by 1988. Home computer software will generate $6.7 billion of that total. FCI sees the 1983 software market reaching $2.1 billion, $1.3 billion of which is home computer volume.
- As of June 1983, 207 new computer specialty stores had opened in the first half of the year. There should be approximately 3,000 computer stores operating by year-end. Meanwhile, 1982 was a banner year for computer specialists, with 449 new units making the scene; 29 percent of stores now operating opened in 1982.
- Average sales volume for a computer specialty store in 1983 is $1.5 million. This figure could reach $2.5 million by 1988.
- The "big five" in terms of states with computer store populations are California, Texas, New York, Illinois and Florida. Presently, California is home to 15 percent of U.S. computer stores; Texas has over nine percent.
- Concession of the home computer market to mass merchants is becoming more apparent. These outlets will do close to $4 billion in home computer business by 1988. This is up from approximately $1 billion projected for 1983.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. [illegible]bert (Parker Brothers)	1	3
2. Centipede (Atari)	2	8
3. Pole Position (Atari)	3	2
4. Enduro (Activision)	4	5
5. BurgerTime (Mattel)	6	3
6. Jungle Hunt (Atari)	—	1
7. Mr. Do (Coleco)	—	1
8. Ms. Pac-Man (Atari)	5	9
9. Decathalon (Activision)	—	1
10. Kangaroo (Atari)	—	2

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A GRALLA PUBLICATION

DECEMBER 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

MISMANAGING THESE PRODUCTS

CAN BE HAZARDOUS TO YOUR HEALTH

Respect Your Limits In Home Healthcare

[illegible]

[illegible]

CYCLICAL MANAGEMENT PEERS INTO THE FUTURE OF CONSUMER ELECTRONICS

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FOR OVER 56,200 RETAILERS & WHOLESALERS

December 1983
Our 76th Year
Vol. 8, No. 12

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HOME MARKET SAYS SO LONG TI HELLO IBM
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Merchandising COMPUTERS

TI out, PCjr in: Stores ponder pricing strategies

By Patricia Monahan, associate editor

NEW YORK—Texas Instruments made its exit through the home computer market's revolving door as the IBM PCjr walked in. And the news left retailers scratching their heads, wondering if they should reposition themselves in the more stable higher-end market, or whether they should stay in home computers at all.

Surprisingly, though, the TI announcement hasn't created the havoc in the retail market that was originally predicted. Retailers interviewed by *Merchandising* reported brisk sales of the 99/4A's. Many said their outlook for the fourth quarter was bleak but the increased volume of TI sales could turn a profit in the home computer department for the first time.

In fact,several retailers were reordering the units in a rush to fill shelves left empty by computer-crazed consumers. One software distributor reported that a catalog showroom in New York had ordered an additional 6,000 units. "They're buying like there's never going to be another computer," commented one retailer. Dealers said they would carry the units until supplies ran out. Many expected to keep the software lines to take advantage of the installed base, which is expected to be more than two million.

A "wait and see" attitude has been adopted by retailers regarding the IBM PCjr. Some expressed an interest in carrying the computer, but questioned whether their stores were ready for the high-end market. Most seemed to agree that the consumers would not hold off buying computers for Christmas to wait for the PCjr.

The TI 99/4A's sold out at Hess' department stores, Allentown, PA, in less than a week, said Dennis Defrain,

(Continued on page 41)

Stores to beef up sku's to reap 25-40 margins on software, peripherals

By Lee Rath, editor

NEW YORK—Those retailers who braved the turbulent home computer market expect to see a brighter picture thanks to growth in peripheral and software sales.

With margins for these add-ons running in the 25-40 percent range, retailers will realize much greater profits in the computer category in 1984, according to participants in *Merchandising*'s latest Retail Opinion File.

We found that retailers already involved in the business project growth for 1984 and will beef up their commitments. But, at the same time, some dealers remain skeptical, and will idle in the "wait and see" mode for at least a bit longer before they start selling computers.

(Continued on page 32)

IBM ENTRY INTO HOME MARKET will bring some stability to the volatile category, said retailers. However, many are unsure about whether to pursue the high or low end of the business next year.

Industry analysts warn retailers:

Emphasize add-ons, brace for Japanese-product invasion

By Patricia Monahan, associate editor

NEW YORK—Computer retailers should place their bets on peripherals and other add-on sales in the months ahead. Also, say industry forecasters, they should watch for a shift in software titles and be ready to take advantage of the Japanese portable invasion.

This will put them in a better position to garner a bigger share of the home computer market—expected to total $2.9 billion in 1984, according to Future Computing, Inc., Richardson, TX. The installed base will swell to 7.5 million units and software sales are expected to double.

Mass retailers also may be able to capture a share of the emerging middle market—which some say will include the Coleco Adam as well as the IBM PCjr and Apple IIe. Forecasters say that the success of the Adam will determine the success of the mass merchant in this area.

However, for the most part, the mass market will stay in the lower end of computers, which is predicted to expand at a slightly slower rate than the high end. "The low-end market was averaging about 40 to 50 percent growth, but I expect it will have a 30 percent growth in 1984," said Norm Weizer, senior analyst, Arthur Little & Co.,

(Continued on page 40)

FEATURE-DRIVEN advertising will help Atari's new line of XL computers stay out of the price war in home computers, said Atari Sales & Distribution Co. president Don Kingsborough.

Atari banks on software, XL's to escape price point battlefield: Kingsborough

By Anthony Rutigliano, section ed.

SUNNYVALE, CA—Besieged by price competition and operating losses, Atari is banking on its new line of third-party software and long-awaited XL home computers to get it off the ropes.

With the exception of the 600 XL—which began shipping to 1,500 retailers at the end of October—the company's extensive new product offerings are meant to elevate it above the price point fray. Atari has abandoned completely the under-$100 market and is positioning its new products to fill in the gaping price point void between $300 and $900.

What's more, the company believes that its "feature-driven" advertising and promotion will help it get back into the good graces of retailers. Atari projects dealers will realize 20 to 28 percent profit margins on CPU's and 33 to 40 percent on software.

"Our new strategy is to sell consumers on what computers can do for them," said Atari Sales & Distribution Co. president Don Kingsborough. "We feel, up until now, consumers have had a lot of frustration. An engineer's definition of user

(Continued on page 40)

Dealer poll finds retailers selling computers expect steady software volume during 1984

(Continued from page 29)

Among those reporting the most success are the discounters that responded to the survey. Sales are up considerably this year and should climb much higher in 1984.

What's more, these discounters are earning some respectable profits in the computer category, particularly on software.

The audio/video/electronics specialty stores also reported coming on strong and are planning to make an even more forceful push into the market next year. In terms of growth, these stores are among the most optimistic.

At the same time, those department stores polled are going to attempt to firm up an already strong position in computers by continuing to offer a broader selection of product than other types of retailers.

And finally, responding appliance/TV stores, the latest group to get into the market, plan to continue making a slow and steady entry, maintaining profitability as they go.

The charts on this and the following page profile stores typical of those polled for this survey. They represent all but six operations out of a total of 214 respondents.

Overall, 29 percent of the retailers responding now sell computers, and another 16.4 percent plan to add them next year. Almost 60 percent indicated that they expect to be selling computers at some point in the near future.

Mr. Popularity is...

Commodore turned out to be, by far, the most popular brand, accounting for 41.2 percent of the dealers' sales. It was followed by Atari with 19.1 percent, Texas Instruments (before its abrupt exit) with 8.5 percent and Apple with 5.3 percent.

When asked what brands they would like to add in 1984, the retailers named Coleco as their number one choice. Some 34.5 percent of the respondents said they'd like to sell the Adam. Also popular were: the PCjr (24.1 percent would like to add it this year); and computers by Apple (17.2 percent); Atari (10.3 percent); and Commodore (also 10.3 percent).

Discounters see a boom

Looking at the retailers category by category, responding discounting stores and catalog showrooms report doing very well in computers this year. But they expect to do even better in 1984. For example:

- Hardware sales, which shot up an average of 150 percent in 1983 are expected to explode by another 200 percent next year.
- Software sales are expected to double in 1984 while retailers as a group are looking for only a 54.7 percent increase.
- This will lead the discounters to boost software inventories by 48 percent, the largest projected increase in the industry.
- Sales of peripherals are expected to shoot up 75 percent in 1984, compared with an overall average increase of 55.8 percent.

And, surprisingly enough, indications are that the discounters are not sacrificing profitability to gain market share.

Although their gross profit margins on hardware average 13.3 percent, more than two points below the overall average, discounters are earning more than anyone else on software: 33 percent.

The same holds true in peripherals, where their gross profit margin is hitting 27.7 percent.

It also is encouraging to note that in the software arena not all the discounters' business is being done in games. To the contrary, they rely on entertainment titles for just 43.5 percent of their software sales.

Although discounters are one of the latest arrivals on the computer scene (60 percent have added the category only in the past two years), they are adopting some relatively innovative marketing tactics. For example, 80 percent of the discounters sell computers in packages that include peripherals and some software. This is far more than any other type of computer retailer.

As for the discounters' most popular price point, it is, as is to be expected, the lowest in the industry. The stores report moving a whopping 42.5 percent of their hardware in the $100 to $199 area, where most others shine between $200 and $299.

In addition, the discounters still rely on the fourth quarter to produce half of their annual computer sales, the most of any of the retailer categories. And they are carrying fewer brands than other types of retailers: an average of 1.6 this year, compared with the overall average of 2.2.

Electronics stores strong

Running a strong race in terms of growth in and commitment to computers are those audio/video/electronics specialty stores that were polled. They report, as a whole, doing well in software, very well in hardware and very very well in peripherals.

In peripherals, these stores are experiencing a 94.4 percent increase in volume this year, the largest in the industry. And they are expecting a 77.8 percent jump next year, also the largest.

Hardware volume is growing faster than the industry's as a whole, increasing by 87.5 percent this year, the second largest in the industry. And sales are expected to pick up by 68 percent next year, once again, the second largest jump among all the stores polled.

**Retail
Opinion
File**

As for software, the audio/video/electronics stores also are doing well compared with the other stores. As a group, they increased sales 84.4 percent this year and expect to see them grow by 59.4 percent next year.

However, it would appear that these stores are building market share at the expense of profitability.

In peripherals, for example, their gross profit margin averages out to 19.6 percent, the lowest in the industry. The hardware margin comes out at the bottom, too: at 13.2 percent.

Department Store Chain

Number of units: **14**
Selling computers since: **1980**
Average selling space devoted to computers per store: **350 sq. ft.**
Brands carried: **Atari, Commodore, Texas Instruments**
Would like to add in 1984: **Epson, IBM**
1983 computer volume (projected): **$1,350,000**
1984 computer volume (predicted): **$1,427,500**
1983 volume (projected) in: Hardware:**$1,000,000 (+10% from 1982)**
Software: **$250,000 (+60%)**
Peripherals: **$100,000 (+90%)**
1984 volume (predicted) in: Hardware: **$1,300,000 (+30% from 1983)**
Software: **$312,500 (+25%)**
Peripherals: **$115,000 (+15%)**
Gross profit margin on: Hardware: **12%**
Software: **25%**
Peripherals: **30%**
Portion of computer sales done in: First quarter: **10%**
Second quarter: **20%**
Third quarter: **20%**
Fourth quarter: **50%**

Software volume breakdown: Entertainment: **35%**
Education: **50%**
Home management: **15%**
How software is purchased: From publishers: **25%**
From local distributors: **75%**

Discount Store Chain

Number of units: **35**
Selling computers since: **1982**
Average selling space devoted to computers per store: **800 sq. ft.**
Brands carried: **Atari, Commodore, Texas Instruments**
1983 computer volume (projected): **$1,200,000**
1983 volume (projected) in: Hardware: **$700,000 (+75% from 1982)**
Software: **$300,000 (+40%)**
Peripherals: **$200,000 (+80%)**
Gross profit margin on: Hardware: **15%**
Software: **30%**
Peripherals: **28%**
Portion of computer sales done in: First quarter: **10%**
Second quarter: **10%**
Third quarter: **20%**
Fourth quarter: **60%**
Portion of computer sales made in "packages": **10%**
Software volume breakdown: Entertainment: **20%**
Education: **60%**
Home management: **15%**
Business/other: **5%**
How software is purchased: From publishers: **30%**
From local distributors: **70%**

Computer Specialty Chain

Number of units: **7**
Selling computers since: **1977**
Average selling space devoted to computers per store: **2,000 sq. ft.**
Brands carried: **Apple, Compaq, Digital, IBM**
1983 computer volume (projected): **$13,500,000**
1983 volume (projected) in: Hardware: **$10,000,000 (+25% from 1982)**
Software: **$6,000,000**
Peripherals: **$3,000,000 (+200%)**
1984 volume (predicted) in: Hardware: **$25,000,000 (+150% from 1983)**
Software: **$6,000,000**
Peripherals: **$6,000,000 (+100%)**
Gross profit margin on: Hardware: **28%**
Software: **40%**
Peripherals: **25%**
Portion of computer sales done in: First quarter: **20%**
Second quarter: **20%**
Third quarter: **20%**
Fourth quarter: **40%**
Portion of computer sales made in "packages": **10%**
Software volume breakdown: Entertainment: **5%**
Education: **10%**
Home management: **10%**
Business/other: **75%**
How software is purchased: From publishers: **75%**
From national distributors: **25%**

SOFTWARE SALES INCREASED an average of 84.4 percent this year at those audio/video/electronics specialty stores polled. An additional increase of 59.4 percent is projected for next year. The gross profit margin on software averages 28.6 percent.

Only the software margin is almost in line with the overall average of 28.6 percent.

Still, these retailers are committed. The audio/video/electronics stores devote an average of 383.5 sq. ft. to the category, the second largest in the industry, and expect to increase the number of hardware brands they carry from an average of 2.7 this year to 3.0 next year, again, the second largest.

Not bad for a group of retailers that is quite new to computers. More than half entered the market only last year.

Department stores profit

Looking for substantial growth in the computer category is the department store. Those responding to the survey are planning to make a significantly stronger commitment in 1984.

For example, the average department store will carry 3.1 brands of computer hardware next year, up from 2.4 in 1983, giving it the largest selection in the survey.

This may be because hardware is where the department stores are finding they can profit. Gross margins are hitting 16.9 percent, the second highest in the industry, where 15.7 percent is the overall average.

In software, they are expecting to increase sales 58 percent next year, slightly above the overall average of 54.7 percent, making them among the most optimistic of all the types of dealers polled.

However, the gross profit margin on software is just 29.3 percent at the average department store, only slightly above the overall average of 28.6 percent. Perhaps as a result, the department stores are planning to increase their software inventories only 19 percent next year, the lowest projected increase in the industry, well below the overall average of 33.4 percent.

And department stores are still surprisingly dependent on entertainment software. It generates 53 percent of their volume in the category, more than at any other type of store. Also doing well are educational titles, although only a fair job is being done in home management, and business software ranks the lowest of all stores in the survey.

Next year should be only a fair one for peripherals in department stores. They are projecting a sales increase of 23.8 percent, compared with the overall average of 55.8 percent. Still, the stores find peripherals, like hardware, to be very profitable. producing almost the highest gross profit margin in the industry: 27.6 percent.

The most popular peripheral at the department store level is the cassette player, which ties in with the relatively low-end products most of the units seem to be moving en masse. Some 76 percent of the stores' hardware sales are now in units costing $300 or less.

Appliance/TV stores join in

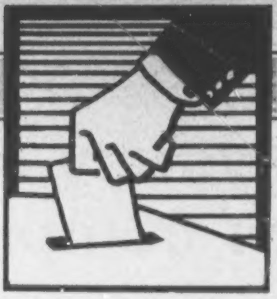
The newest members of the computer retailing fraternity contacted by the poll are appliance/TV stores, which are slowly but surely coming into the market.

More than three-quarters of those polled that are in the business reported they had entered in the past 24 months. And the average store dedicates 246.4 sq. ft. to computers, producing the smallest departments of the survey.

While these retailers are expecting to expand in computers, they are not planning on moving any too quickly. In hardware, for instance, volume increased 39.2 percent this year and is expected to jump another 46 percent in 1984, well below the national average.

Software sales increased 40.1 percent this year and are projected to jump 41.2 percent next year, the smallest in the industry. And peripherals sales climbed 64.4 percent this year and are expected to climb 43.9 percent next year, also comparatively small.

However, in some cases, the appliance/TV retailers are making up in profitability what they lack in volume.



The gross profit margin on hardware is the highest in the industry: 17.3 percent. The peripherals margin also is high, 26.1 percent, compared with the national average of 23.7 percent.

Only in software do appliance/TV retailers fall short, reporting in with a gross profit margin of 27.3 percent, the lowest in the survey.

Nevertheless, these dealers do not appear frustrated. Next year, they plan to boost software inventories by 40.4 percent, the second largest increase of all the dealers polled.

STATISTICAL MATTER for this survey was compiled by Selma Book, market research manager, and Matea Esguerra, research associate.

Consumer Electronics Store

Number of units: 2
Selling computers since: 1979
Average selling space devoted to computers per store: 1,000 sq. ft.
Brands carried: Atari, Commodore, Texas Instruments, Timex/Sinclair
Would like to add in 1984: Franklin, IBM
1983 computer volume (projected): $355,000
1984 computer volume (predicted): $405,000
1983 volume (projected) in: Hardware: $250,000 (+20% from 1982)
Software: $80,000 (+20%)
Peripherals: $25,000 (+10%)
1984 volume (predicted) in: Hardware: $275,000 (+10% from 1983)
Software: $100,000 (+25%)
Peripherals: $30,000 (+20%)
Gross profit margin on: Hardware: 15%
Software: 30%
Peripherals: 30%
Portion of computer sales done in: First quarter: 25%
Second quarter: 10%
Third quarter: 15%
Fourth quarter: 50%
Portion of computer sales made in "packages": 40%
Software volume breakdown: Entertainment: 70%
Education: 20%
Home management: 5%
Business/other: 5%
How software is purchased: From publishers: 10%
From local distributors: 20%
From national distributors: 70%

Radio/TV store

Selling computers since: 1983
Selling space devoted to computers: 25 sq. ft.
Brands carried: Commodore
1983 computer volume (projected): $5,000
1984 computer volume (predicted): $6,500
1983 volume (projected) in: Hardware: $2,500
Software: $1,500
Peripherals: $1,000
1984 volume (predicted) in: Hardware: $3,250 (+30% from 1983)
Software: $1,950 (+30%)
Peripherals: $1,300 (+30%)
Gross profit margin on: Hardware: 15%
Software: 40%
Peripherals: 40%
Portion of computer sales made in "packages": 65%
Software volume breakdown: Entertainment: 40%
Education: 20%
Home management: 20%
Business/other: 20%
How software is purchased: From local distributors: 100%

Radio/TV/Personal Electronics Store

Selling computers since: 1982
Selling space devoted to computers: 300 sq. ft.
Brands carried: Commodore
1983 computer volume (projected): $35,000
1984 computer volume (predicted): $43,000
1983 volume (projected) in: Hardware: $25,000 (+25% from 1982)
Software: $5,000 (+50%)
Peripherals: $5,000 (+90%)
1984 volume (predicted) in: Hardware: $31,250 (+25% from 1983)
Software: $5,000 (no change)
Peripherals: $6,750 (+35%)
Gross profit margin on: Hardware: 10%
Software: 25%
Peripherals: 20%
Portion of computer sales done in: First quarter: 15%
Second quarter: 10%
Third quarter: 15%
Fourth quarter: 60%
Portion of computer sales made in "packages": 0%
Software volume breakdown: Entertainment: 40%
Education: 20%
Home management: 10%
Business/other: 30%
How software is purchased: From local distributors: 100%

VIDEOGAMES

FROSTBITE, Activision, Inc. Atari 2600-compatible. Available now. Suggested retail $31.95.

MOON PATROL, Atari. Atari 2600-compatible. Available now. Atari 5200-compatible. Available first quarter of 1984. Suggested retail $40.95.

PENGO, Atari. Atari 5200-compatible. Available now. Atari 2600-compatible. Available first quarter of 1984. Suggested retail $40.95 (5200), $35.45 (2600).

COMPUTERS

GAMES

APPLE CIDER SPIDER, Sierra On-Line. Apple II series-compatible. Available now. Suggested retail $29.95.

CANDY BANDIT, T & F Software. Commodore 64-compatible. Available now. Suggested retail $29.95.

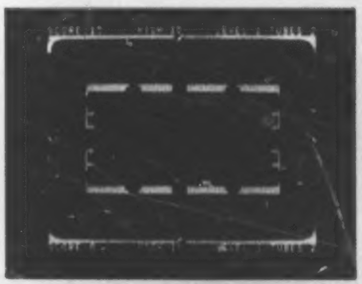
COLOR BASEBALL, Radio Shack. TRS-80 color computer-compatible. Available now. Suggested retail $24.95.

DARK CRYSTAL, Sierra On-Line. Apple series-compatible. Available now. Suggested retail $37.95.

SEAFOX, Broderbund Software. Commodore VIC 20-compatible. Available now. Suggested retail $34.95.

SHADOW WORLD, Synapse Software. Atari series-compatible. Available now. Suggested retail $34.95.

SPEED RACER, T & F Software. Commodore 64-compatible. Available now. Suggested retail $29.95.



SPITBALL, Creative Software. Commodore 64-compatible. Available now. Suggested retail $34.95.

STAR BLAZE, Radio Shack. TRS-80 color computer-compatible. Available now. Suggested retail $19.95.

STARBOWL FOOTBALL, Gamestar, Inc. Commodore 64-compatible. Available first quarter of 1984. Suggested retail $31.95.

STAR LEAGUE BASEBALL, Gamestar, Inc. Commodore 64-, Atari series-compatible. Available first quarter of 1984. Suggested retail $31.95.

LEARNING

CREATE A TEST, Cross Educational Software. Apple series-compatible. Available now. Suggested retail $49.95.

ELECTRONIC FLASH CARD, Advant-Garde Creations. Apple II+-compatible. Available now.

FAX, EPYX, Inc. Apple series-compatible. Available now.

I AM THE C-64, Creative Software. Commodore 64-compatible. Available now. Suggested retail $29.95.

MICROMETER, School & Home CourseWare, Inc. Apple-, Atari-, PET-, TRS-80 compatible. Available now.

MUSIC CONSTRUCTION SET, Electronic Arts. Apple series-, Commodore 64-compatible. Available now. Suggested retail $40.

PROGRAMMING KIT II, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail $24.95.

COMMODORE 64 Computers
TIMEWORKS
Spellbound

SPELLBOUND, Timeworks, Inc. Commodore 64-compatible. Available now. Suggested retail $24.95.

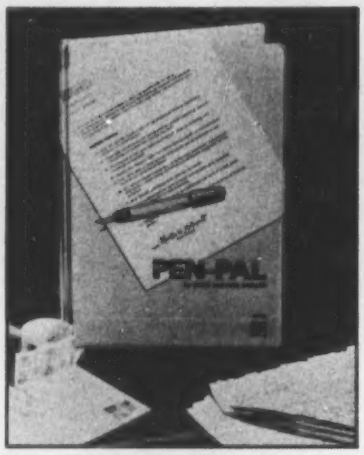
WORD WIGGLE, Software Toolworks. IBM PC-, Zenith Z100-compatible. Available now. Suggested retail $29.95.

See Retailer Opinion File page 32

HOME MGT

CASH BUDGET MANAGEMENT, Radio Shack. TRS-80-compatible. Available now. Suggested retail $49.95.

MAIL CONTROLLER, Orbyte Software. Commodore 64-compatible. Available now.



PEN-PAL, Howard W. Sams & Co., Inc. Apple II series-compatible. Available now. Suggested retail $59.95.

SOFTAX, Design Trends Ltd. IBM PC-, Apple series-compatible. Available now. Suggested retail $199.

ULTRA PLOT, Avant-Garde Creations, Inc. IBM PC-compatible. Available now.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Q*Bert** *(Parker Brothers)*	1	4
2. **Pole Position** *(Atari)*	3	3
3. **Centipede** *(Atari)*	2	9
4. **Jungle Hunt** *(Atari)*	6	2
5. **Miner 20-49er** *(Atari)*	—	1
6. **Mr. Do** *(Coleco)*	7	2
7. **Ms. Pac-Man** *(Atari)*	8	10
8. **Dig-Dug** *(Atari)*	—	1
9. **Time Pilot** *(Coleco)*	—	1
10. **Donkey Kong, Jr.** *(Coleco)*	—	4

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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

		Last month's position	Months on chart
1.	**Flashdance** *(Paramount)*	1	3
2.	**Gandhi** *(RCA/Columbia)*	14	2
3.	**48 Hours** *(Paramount)*	2	5
4.	**The Man from Snowy River** *(CBS/Fox)*	3	3
5.	**Psycho II** *(MCA)* **G**	—	1
6.	**Blue Thunder** *(RCA/Columbia)*	—	1
7.	**The Year of Living Dangerously** *(MGM/UA)*	8	2
8.	**The Man with Two Brains** *(Warner)*	—	1
9.	**Tender Mercies** *(Thorn EMI)*	16	2
10.	**The Verdict** *(CBS/Fox)* **GP**	6	5
11.	**Porky's** *(CBS/Fox)* **GP**	5	4
12.	**Bad Boys** *(Thorn EMI)*	4	3
13.	**Dr. Detroit** *(MCA)* **I**	9	2
14.	**Something Wicked this Way Comes** *(Disney)*	—	1
15.	**Monty Python's Meaning of Life** *(RCA/Columbia)*	—	1
16.	**The Outsiders** *(Warner)* **G**	7	3
17.	**Lone Wolf McQuade** *(Vestron)*	—	1
18.	**Windwalker** *(CBS/Fox)*	21	2
19.	**Eating Raoul** *(CBS/Fox)*	13	2
20.	**Spring Break** *(RCA/Columbia)*	22	2
21.	**High Road to China** *(Warner)* **GP**	11	5
22.	**First Blood** *(Thorn EMI)* **GI**	20	6
23.	**Sophie's Choice** *(CBS/Fox)* **GI**	10	6
24.	**Stroker Ace** *(Warner)*	—	1
25.	**The Entity** *(CBS/Fox)*	—	1
26.	**The Black Stallion Returns** *(CBS/Fox)*	24	2
27.	**Space Hunter** *(RCA/Columbia)*	—	1
28.	**Southern Comfort** *(Embassy)*	25	2
29.	**Without a Trace** *(CBS/Fox)*	17	2
30.	**He-Man and the Masters of the Universe** *(RCA/Columbia)*	—	1

Top 10 in videocassette sales

1.	**Flashdance** *(Paramount)*	1	3
2.	**Jane Fonda's Workout** *(Karl)* **GPI**	2	17
3.	**48 Hours** *(Paramount)*	3	5
4.	**Gandhi** *(RCA/Columbia)*	—	1
5.	**An Officer and a Gentlemen** *(Paramount)* **GPI**	4	10
6.	**Raiders of the Lost Ark** *(Paramount)*	—	1
7.	**High Road to China** *(Warner)* **GP**	5	5
8.	**Psycho II** *(MCA)* **G**	—	1
9.	**Porky's** *(CBS/Fox)* **GP**	6	4
10.	**The Police Around the World** *(IRS Video)*	—	1

Top 5 in CED videodisc sales

1.	**Flashdance** *(Paramount)*	1	2
2.	**48 Hours** *(RCA VideoDiscs)*	3	4
3.	**Psycho II** *(MCA)* **G**	—	1
4.	**Blue Thunder** *(RCA VideoDiscs)*	—	1
5.	**The Man from Snowy River** *(CBS/Fox)*	—	1

Top 5 in laserdisc sales

1.	**Flashdance** *(Paramount)*	1	2
2.	**Poltergeist** *(MGM/UA)* **GPI**	—	1
3.	**48 Hours** *(Paramount)*	2	5
4.	**Thunderball** *(CBS/Fox)*	4	2
5.	**Das Boot** *(RCA/Columbia)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

MCA

THE JACK BENNY PROGRAM (1958, 1959) The beloved funnyman appears in two episodes from his TV series. Jack and Rochester go shopping in The Christmas Show and travel to New York by train in The Railroad Station. *B/W C: $29.95.*

JAWS 3 (1983) Just when you thought it was safe to go back to the video store! Dealers, however, have nothing to fear from MCA's Jaws promotion. Until Jan. 25, Jaws 3 will carry a suggested retail price of $39.95. And, for every three copies ordered, dealers can obtain one each of Jaws and Jaws 2, also at $39.95 suggested retail. Prices on all three revert to $79.95 when the promotion ends. P-o-p, a four percent local advertising allowance and national advertising will help promote sell-through. *Color PG 98 minutes Stereo C CED LV.*

MEDIA

THE GREY FOX (1983) After 33 years in San Quentin, stagecoach robber Bill Miner (Richard Farnsworth) is released to a world of newfangled inventions, including the movie and the locomotive. Undaunted, he picks up the pieces of his life and at age 60 embarks on a new career—train robbery. *Color PG 9[illegible] minutes C: $69.95.*

RCA VIDEODISC

THE BLACK STALLION RETURNS *Color 93 minutes $24.98.*

THE DEER HUNTER *Color 183 minutes $39.98.*

DIAL "M" FOR MURDER *Color 105 minutes $24.98.*

GANDHI *Color 188 minutes $39.98.*

THE GREAT SANTINI *Color 118 minutes $24.98.*

MY LITTLE CHICKADEE *B/W 83 minutes $19.98.*

THORN EMI

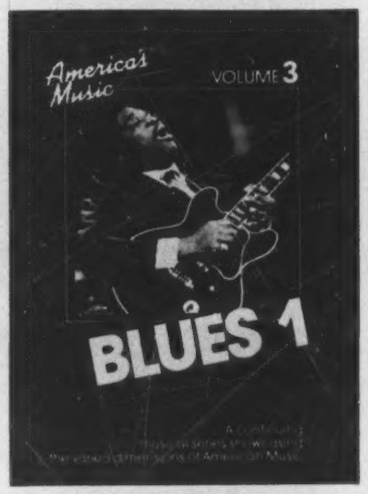
THOMAS DOLBY This music video and another, The Steve Miller Band, are the initial releases on the new label, Thorn EMI World Class Music Video. The firm has dedicated itself to releasing more music video programs and to distributing them in more music/record outlets. *Color Stereo C: $29.95.*

THE WORLD AT WAR This documentary on the Second World War, narrated by Sir Laurence Olivier, will be released in 26 volumes over the next six months. The first six one-hour volumes are available now. Each: *Color C: $29.95.*

VESTRON

MICHAEL JACKSON: MAKING THE THRILLER VIDEO (1983) The real "thriller" here for dealers is the price: $29.95 suggested retail for all formats. This program combines selections from Jackson's music videos, including the legendary Beat It and Billie Jean, with concert footage. The main focus of the program, however, is the creation of the Thriller video, which was produced by John Landis. If cost is any sign of quality (and it certainly was with Beat It), fans will be happy to learn that the 10-minute Thriller video took a cool $1 million-plus to make. *Color 60 minutes Stereo & Beta Hifi C: $29.95 CED: $29.95 LV: $29.95.*

VIDEO GEMS



AMERICA'S MUSIC Two programs of the 22 to be released are now available. Consisting of performances in cabaret settings mixed with historic footage, the series will showcase music styles such as Country and Western, Traditional Jazz, Gospel, the Big Bands, Rock 'n' Roll and Regional Music. The first two releases are Blues 1, with performances by B.B. King. Linda Hopkins and others, and Rhythm & Blues 1, featuring Billy Eckstine, Ruth Brown, Billy Preston and others. All: *Color approx. 60 minutes Stereo & Beta Hifi C: $49.95.*

WARNER

RISKY BUSINESS (1983) The very funny summer hit about a high school boy who becomes involved with a high-class call girl. He learns a lot about sex, the free enterprise system and the easy way to get into an Ivy League college. *Color R 99 minutes Stereo & Beta Hifi C: $69.95 CED: $34.98. LV: $34.98.*

SUPERMAN III (1983) Or, as Richard Pryor calls him, "Supe." Christopher Reeves and Pryor star in the sequel to the sequel, where the man of steel takes on the creature of silicon, that is, the computer. *Color PG 125 minutes C: $69.95 CED: $39.98 LV: $39.98.*

TWILIGHT ZONE—THE MOVIE (1983) Four noted directors—John Landis, Steven Spielberg, Joe Dante and George Miller—took a crack at remaking four different episodes of Rod Serling's Twilight Zone. *Color PG 101 minutes C: $69.95 CED: $34.98 LV: $34.98.*

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JANUAR

Merchandising

Home and Auto Electronics • Housewares • Major Applianc

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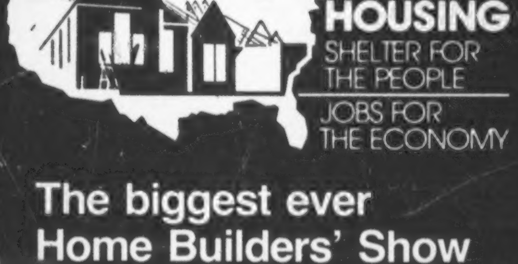

The biggest ever Home Builders' Show previews new trends in major appliance colors

- See high-tech telephones perform amazing feats
- Hear digital audio — in cars for the first time
- Witness flat-screen TV's with extra-large viewing area
- Marvel at new low prices for compact disc players
- Let self-help software solve your computer problems

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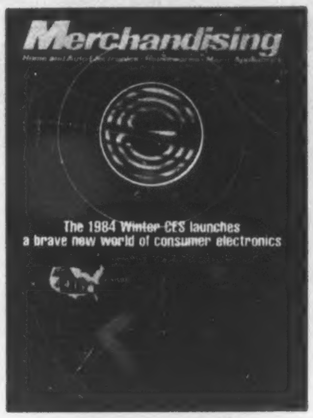
Vol. 9, No. 1



Merchandising

The 1984 Winter CES launches a brave new world of consumer electronics

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The 1984 CES launches a brave new world of consumer electronics

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Merchandising's TOP FIFTY

Top 30 in videocassette rentals

[illegible]

Top 10 in videocassette sales

[illegible]

Top 5 in CED videodisc sales

[illegible]

Top 5 in laserdisc sales

[illegible]

VIDEO/NEW RELEASES

CBS/FOX

THE CBS/FOX GUIDE TO COMPLETE DOG CARE Dog care expert Roger Caras asks the dog owners who constitute 41 percent of all U.S. households: What have you done for your dog today? Closed-captioned for the hearing-impaired. *Color 60 minutes C: $29.98.*

PLAYBOY VIDEO VOL. 4 Features include an intimate studio session with Playmate Barbara Edwards, a Willie Nelson interview, a tribute to the late Dorothy Stratten, 1980 Playmate of the Year, and more. *Color 85 minutes Beta & Stereo VHS C: $59.98.*

PORKY'S TWO: THE DAY AFTER (1983) America's favorite libidinous teens return to capture a carnival stripper, a mad reverend, the Ku Klux Klan and a spineless, cheating politician in this wacky Fifties farce. *Color R 100 minutes C: $79.98 CED: $29.98 LV: $34.98.*

BILLY JOEL LIVE FROM LONG ISLAND The popular singer/songwriter captured live at the Nassau Veteran's Memorial Coliseum. Selections include Allentown, It's Still Rock 'n Roll to Me, Moving Out and My Life. *Color 80 minutes Stereo & Beta Hifi C: $29.98 CED: $29.98 LV: $29.98.*

CHILDREN'S VID

ALICE'S ADVENTURES IN WONDERLAND Peter Sellers and Dudley Moore headline an all-star cast in this adaptation of the Lewis Carroll classic. *Color 100 minutes C: $39.95 CED: $29.95 LV: $34.95.*

JACOB TWO-TWO MEETS THE HOODED FANG Alex Karras is big enough to play the Hooded Fang, warden of the prison "from which no brat returns." Based on Mordecai Richler's book. *Color G 90 minutes C: $39.95.*

MCA

SMOKEY AND THE BANDIT PART 3 (1983) More chicanery and chase scenes as Jackie Gleason tries to intercept some good old boys on a 24-hour run from Miami to Texas. *Color PG 86 minutes C: $59.95 CED: $29.98 LV: $29.98.*

MEDIA

HELL'S ANGELS FOREVER (1983) Chilling in its impact but always an anthem to freedom on the road, this portrait of the Hell's Angels stars members of the gang itself. *Color R 93 minutes C: $59.95.*

1990: THE BRONX WARRIORS (1983) It's every man for himself when the dregs of society rebel in the "no man's land" of the Bronx in 1990. *Color R 86 minutes C: $59.95.*

RCA/COLUMBIA

DOLLY IN LONDON (1983) The first lady of country and western performs live at the Dominion Theatre in London. Featured hits include Here You Come Again, 9 to 5 and Jolene. *Color Dolby Stereo VHS and Stereo and Beta Hifi C: $29.95.*

LA NUIT DE VARENNES (1982) In this historical romp, a fascinating cast headed by Marcello Mastroianni finds themselves in the direct wake of the flight of King Louis XVI during the French Revolution. In French with English subtitles. *Color R C: $59.95.*

THE SURVIVORS (1983) Robin Williams and Walter Matthau are unemployed and on the run after disarming a hit-man in a robbery attempt. This black comedy also stars Jerry Reed. *Color R C: $79.95.*

RCA VIDEODISC

BILLY JACK (1971) *Color PG 112 minutes $24.98.*

THE BIRDS (1963) *Color 120 minutes $19.98.*

BLUE THUNDER (1982) *Color R 108 minutes $29.98.*

SUMMER OF '42 (1971) *Color PG 102 minutes $24.98.*

WAR GAMES (1983) *Color PG 114 minutes $29.98.*

VESTRON

CLASS (1983) A young prep school student with alligator shirts has a brief but torrid affair with his roommate's mother. Jacqueline Bisset plays the mother. *Color R 98 minutes C, LV.*

WARNER

CUJO (1983) A New England family burdened with problems real and imagined confronts an unforeseen, bloodthirsty menace. *Color R 94 minutes C: $69.95 CED: $34.98 LV: $34.98.*

A STAR IS BORN (1954) The original. George Cukor's classic musical starring Judy Garland and James Mason, with over 20 minutes of recently found and restored musical numbers and dramatic footage. *Color PG 175 minutes Stereo & Beta Hifi C: $69.95 CED: $39.98 LV: $39.98.*

UP THE SANDBOX (1972) Barbra Streisand stars in this comic study of a pregnant housewife who transcends her boring life with outlandish fantasies. *Color R 98 minutes C: $39.98.*

NEW RELEASES IN GAME SOFTWARE

COMPUTERS

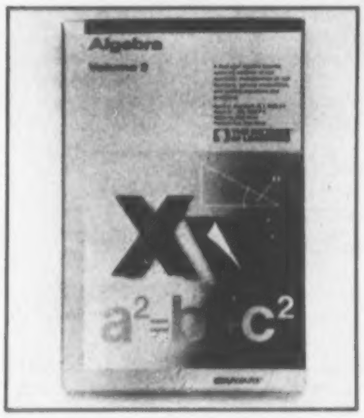
GAMES

GATEWAY TO APSHAI, Epyx, Inc. Atari series-, Commodore 64-compatible. Available now.
GORGON II, Sirius Software, IBM PC-compatible. Available now. Suggested retail $29.95.
MEGAMANIA, Activision. Atari series-compatible. Available now. Suggested retail $34.95.
OIL BARONS, Epyx, Inc. Apple series-, IBM PC-compatible. Available now.
PARIS IN DANGER, Microcomputer Games, Inc. Atari series-compatible. Available now. Suggested retail $35.
PITSTOP, Epyx, Inc. Atari series-, Commodore 64-, Coleco Adam-compatible. Available now.
PRISONER 2, Eduware Services, Inc. IBM PC-compatible. Available now. Suggested retail $39.95.

THE SANDS OF EGYPT

SANDS OF EGYPT, Datasoft, Inc. Apple series-, Atari series-compatible. Available now. Suggested retail $29.95.
SEAWOLF II, Epyx, Inc. Atari series-compatible. Available now.
SILICON WARRIOR, Epyx, Inc. Atari series-, Commodore 64-compatible. Available now.
STARFIRE, Epyx, Inc. Atari series-, Commodore 64-compatible. Available now.
STICKYBEAR BASKETBOUNCE, Weekly Reader Family Software. Apple series-compatible. Available now. Suggested retail $39.95.
T.A.C., Microcomputer Games, Inc. Atari series-, Apple series-compatible. Available now. Suggested retail $40.
TYPE ATTACK, Sirius Software. IBM PC-compatible. Available now. Suggested retail $39.95.
WARD NAVY, Sirius Software. Commodore 64-compatible. Available now. Suggested retail $34.95.

LEARNING

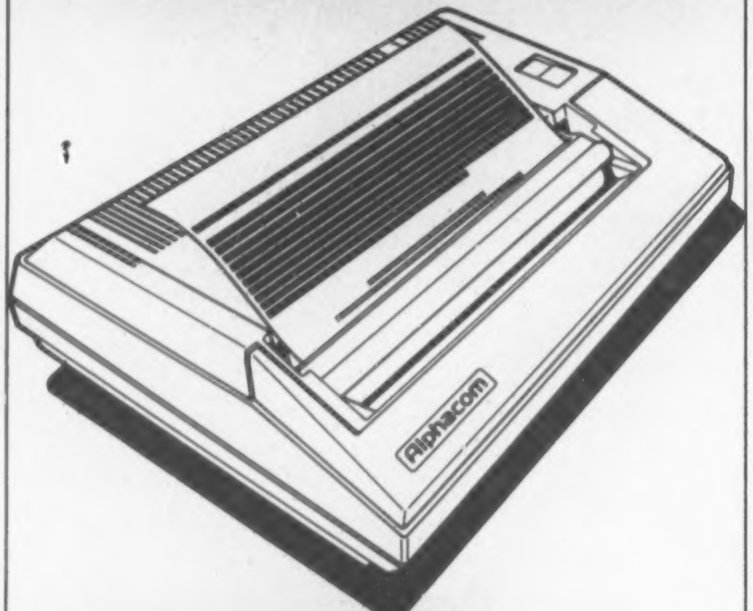


ALGEBRA VOLUME 2, Eduware Services Inc. IBM PC-compatible. Available now. Suggested retail $39.95.
LEARNING BRIDGE MADE EASY, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail $79.95.
MASTERING THE SAT, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail $150.
MATCH-WITS, CBS Software. Apple Series-, IBM PC-compatible. Available now. Suggested retail $29.95.
STICKYBEAR OPPOSITES, Weekly Reader Family Software. Apple series-compatible. Available now. Suggested retail $39.95.
STICKYBEAR SHAPES, Weekly Reader Family Software. Apple series-compatible. Available now. Suggested retail $39.95.
TRAINS, Spinnaker Software. Atari-, Commodore 64-compatible. Available now. Suggested retail $39.95.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. Q*Bert *(Parker Brothers)*	1	5
2. Popeye *(Atari)*	—	1
3. BurgerTime *(Mattel)*	—	4
4. Pole Position *(Atari)*	2	4
5. Centipede *(Atari)*	3	10
6. Dig Dug *(Atari)*	8	2
7. River Raid *(Parker Brothers)*	—	9
8. Pitfall *(Activision)*	—	9
9. Enduro *(Activision)*	—	6
10. Miner 2049er *(Atari)*	5	2



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A GRALLA PUBLICATION
FEBRUARY 1984

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

GET READY FOR

ELECTRONIC DISTRIBUTION

A whole new way of delivering software is prepared to shake up the retail world

CONCLUDING ONE GREAT YEAR, DEALERS PLAN FOR ANOTHER

Ceiling Models Fan Hot Summer Sales

RETAILERS PONDER THE EFFECTS OF THE NEW FORMAT

8mm SENDS VIDEO VENDORS REELING

LAS VEGAS – Kodak's unveiling of the first 8mm video system at last month's CES sent the industry into a frenzy. GE, RCA and Sanyo all officially jumped on the bandwagon and Fisher showed a prototype. But does the industry really *need* another format? Many retailers remain skeptical.

Cautious Computer Companies

HEDGE THEIR BETS

FEW INTRODUCTIONS, PLENTY OF PLEDGES GREET THE NEW YEAR

Phone makers gear up for the best year ever

NEW COLORS TURN ON EXCITEMENT AT THE HOME BUILDERS' SHOW

A GRALLA PUBLICATION
Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

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Merchandising
FOR OVER 56,200 RETAILERS & WHOLESALERS

February 1984
Our 77th Year
Vol. 9, No. 2

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8mm SENDS VIDEO VENDORS REELING
Phone makers gear up for the best year ever
NEW COLORS TURN ON EXCITEMENT AT THE HOME BUILDERS' SHOW

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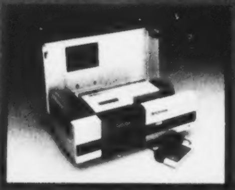

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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Raiders of the Lost Ark** *(Paramount)*	1	2
2. **Risky Business** *(Warner)*	6	2
3. **Blue Thunder** *(RCA/Columbia)* I	3	3
4. **Flashdance** *(Paramount)*	2	5
5. **The Making of Michael Jackson's 'Thriller'** *(Vestron)* GP	—	1
6. **National Lampoon's Vacation** *(Vestron)*	4	2
7. **Superman III** *(Warner)*	10	2
8. **Twilight Zone—The Movie** *(Warner)*	14	2
9. **Gandhi** *(RCA/Columbia)* I	5	4
10. **Breathless** *(Vestron)* GP	9	2
11. **48 Hours** *(Paramount)*	12	7
12. **The Survivors** *(RCA/Columbia)*	11	2
13. **The Man from Snowy River** *(CBS/Fox)*	8	5
14. **Dark Crystal** *(Thorn EMI)* GP	7	2
15. **Dawn of the Dead** *(Thorn EMI)*	—	1
16. **The Hunger** *(MGM)*	15	2
17. **Psycho** *(MCA)* G	13	3
18. **Delirious** *(Paramount)*	17	2
19. **Cujo** *(Warner)*	—	1
20. **Local Hero** *(Warner)*	24	2
21. **The Grey Fox** *(Media)*	—	1
22. **Jaws III** *(MCA)*	—	1
23. **10 to Midnight** *(MGM)*	—	1
24. **Bad Boys** *(Thorn EMI)*	20	5
25. **Stroker Ace** *(Warner)*	22	3
26. **Pink Floyd: The Wall** *(MGM)*	—	1
27. **The Year of Living Dangerously** *(MGM)*	—	3
28. **Yellow Beard** *(Vestron)*	—	1
29. **Tender Mercies** *(Thorn EMI)*	29	4
30. **Lone Wolf McQuade** *(Vestron)*	16	3

Top 10 in videocassette sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	3
2. **The Making of Michael Jackson's 'Thriller'** *(Vestron)* GP	—	1
3. **Jane Fonda's Workout** *(Karl Video)* GPI	3	19
4. **Flashdance** *(Paramount)*	2	5
5. **Risky Business** *(Warner)*	6	2
6. **Blue Thunder** *(RCA/Columbia)* I	4	2
7. **Superman III** *(Warner)*	—	1
8. **Twilight Zone—The Movie** *(Warner)*	—	1
9. **Pink Floyd: The Wall** *(MGM)*	—	1
10. **48 Hours** *(Paramount)*	5	7

Top 5 in CED videodisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	2
2. **Octopussy** *(CBS/Fox)*	—	1
3. **WarGames** *(CBS/Fox)*	5	2
4. **Risky Business** *(Warner)*	3	2
5. **Blue Thunder** *(RCA Videodiscs)*	—	2

Top 5 in laserdisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	2
2. **Octopussy** *(CBS/Fox)*	—	1
3. **Flashdance** *(Paramount)*	3	4
4. **Risky Business** *(Warner)*	—	1
5. **WarGames** *(CBS/Fox)*	2	2

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/ NEW RELEASES

CBS FOX/VIDEO

THE CHOSEN (1982) Set in New York during the mid-1940's, this is the powerful screen adaptation of Chaim Potok's acclaimed novel. The friendship of two young Jewish men (Robby Benson and Barry Miller) survives the deep conflicts which arise from growing up in two different worlds. *Color PG 107 minutes C: $59.98.*

INDISCRETION OF AN AMERICAN WIFE (1954) Two lovers (Jennifer Jones and Montgomery Clift) face a bittersweet crisis in Rome's famous Terminal Station. Can they have a future together? *B/W 63 minutes C: $59.98.*

EMBASSY

THE BERENSTAIN BEARS COMIC VALENTINE (1982) The whole Berenstain bear family get their paws wet when brother bear receives a mysterious valentine from Miss Honey bear, a secret admirer. But can brother bear now keep his mind on the upcoming Valentine's Day championship game against the Beartown Bullies? *Color 25 minutes C: $24.95.*

THE DAY AFTER (1983) The acclaimed television special which showed the horrors of nuclear war also contains scenes not previously viewed in the U.S. TV special. Stars include Jason Robards, Jobeth Williams, Steven Guttenberg, John Lithgow and John Cullum. Point-of-purchase materials are also available. *Color 126 minutes C: $39.95.*

MCA

TWIST OF FATE The first video music EP release from this studio features the talented Olivia Newton-John. Four songs from Two of a Kind and two songs from Olivia's Greatest Hits Volume II album are included. The music video includes the title song, Take a Chance, Shaking You, just-released Livin' In Desperate Times and the top-ten single Heart Attack. *Color 25 minutes Stereo Beta Hifi and Stereo VHS C: $19.95 CED: $16.98 LV: $19.98.*

RCA/COLUMBIA

BABY, THE RAIN MUST FALL (1964) Steve McQueen and Lee Remick star in this drama about a rootless drifter, his wife and their young daughter in a small Texas town. Don Murray also stars. *B/W Beta Hifi C: $59.95.*

EURYTHMICS-SWEET DREAMS (1983) This video album features David Stewart and Annie Lennox from the Eurythmics performing the smash hit, Sweet Dreams Are Made of This and Love is a Stranger. Twelve other songs are also included. *Color VHS Dolby Stereo & Beta Hifi Stereo C: $29.95.*

YOL (1982) Winner of the d'Or for the best picture at the 1982 Cannes Film Festival, this Turkish film paints a compelling portrait of modern Turkey as seen through the eyes of five prisoners who are granted temporary leave to see their families. *Color PG Beta Hifi C: $59.95.*

VESTRON

EASY MONEY (1983) Rodney Dangerfield stars as a basic slob with a chance to inherit millions—if he can stop smoking, drinking and gambling! This effort nearly kills the man who "gets no respect" in this runaway comedy smash hit. *Color R 95 minutes C: No suggested list CED: $29.95 LV: $24.95.*

JAMES DEAN, THE FIRST AMERICAN TEENAGER In rare footage of one of the cult heroes of our time, Elizabeth Taylor, Rock Hudson and Natalie Wood share the stories of the man, the actor and the myth—James Dean. *Color 83 minutes C.*

KITTY FOYLE Ginger Rogers portrays a young working girl who is emotionally trapped between a career on the rise and an affair with a married socialite. *B/W 108 minutes C.*

LADY TAKES A CHANCE John Wayne and Jean Arthur have a marvelous screen chemistry in this hilarious romantic comedy about a New York working girl with matrimonial ideas and a rodeo rider who yearns for the wide-open countryside. *B/W 108 minutes C.*

MR. MOM (1983) Michael Keaton plays a hard-working husband who becomes a harried "housewife" and Teri Garr portrays a housewife who turns into a high-powered executive. *Color PG 92 minutes C: No suggested list CED: $29.95 LV: $24.95.*

PICTURE MUSIC A collection of 14 of today's most popular music videos, including top hits from Kim Carnes, Steve Miller, the J. Geils Band, Billy Squier and Thomas Dolby. "Liner notes" with background on the artists and their music videos are also included. *Color 60 minutes Stereo & Beta Hifi C: $29.95.*

THE SMURFS AND THE MAGIC FLUTE (1983) The delightful blue and white creatures star in their first animated feature film. Johan, Peewit and all the beloved Smurf characters star in this Smurferific adventure. *Color G 74 minutes C: No suggested list CED: $29.95 LV: $24.95.*

THE UNSEEN Three beautiful women and an unspeakable terror lust in the darkness. Barbara Bach stars in this chilling horror story of a grotesque murder that twists from unrelenting violence to a shocking finale. *Color 90 minutes.*

New Datasouth matrix printer features three printing modes

CHARLOTTE, NC—The DS220 multimode matrix printer by Datasouth Computer Corp. eliminates the need for multiple printers by combining three different printing capabilities into a single unit. The unit provides correspondence printing for word processing, draft quality printing for high-speed data processing as well as dot-addressable graphics.

In correspondence mode, the unit generates an 18 by 48 dot matrix for near letter quality appearance. Using a high-resolution two-pass mode, the DS220 prints at 40 cps. Multiple type fonts may be selected using the operator panel or the program control on the unit.

For print intensive applications, the DS220 operates at 220 cps, utilizing bi-directional logic-seeking printing. The printer also has the ability to print up to 217 columns for spreadsheets and graphically output results.

The DS220's front panel offers pushbutton access to 50 programmable features. These include forms control, print mode and communications. The integral four-digit LED display eliminates the guesswork in printer configuration by providing visual verification as each feature is programmed, said the firm. The product includes both serial and parallel interfaces as standard features along with a 2,000-character buffer. Snap-in ribbon cartridge can be changed quickly.

Datasouth Computer Corp., 4216 Stuart Andrew Blvd., M, Charlotte, NC 28210.

Davong tape system safeguards data

SUNNYVALE, CA—Tape backup system safeguards data on any Winchester disk or floppy drive used with the IBM PC or XT microcomputers, said Davong Systems, Inc. Price for the system is from $1,795 to $1,995, including interface.

The standalone streaming tape drive uses ¼-in. tape cartridge with a formatted capacity of approximately 19 megabytes. An adaptor for the backup plugs directly into an IBM PC or XT expansion slot. Software capabilities include initial checkout, copying from floppy or hard disk to tape and restoring files from tape to hard disk or floppy. Software also allows user to compare file dates so that the most current file with the same title is restored. Files may be restored to a different volume so they are easy to find, and an index lists names and dates of all backup files.

Using the Davong Multi-OS control system, backup can be done by volume or individual file. A 15 megabyte disk can be copied in about four minutes and four-error checking methods ensure data integrity, said the firm.

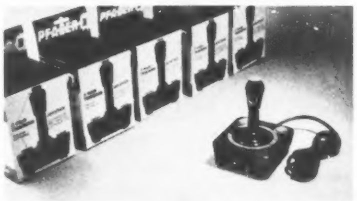
Davong Systems, Inc., 217 Humboldt Ct., M, Sunnyvale, CA 94086.

Spectravideo introduces its first MS computer

PLAINVIEW, NY—Model SVI-728 personal computer features a z80A microprocessor with MSX BASIC built into the ROM of the CP/M-based machine. The unit's 32K ROM is expandable to 96K and its 80K RAM is expandable to 144K.

The 87-key, full-stroke keyboard computer is expected to retail for $349 when it is shipped to distributors and retailers in April.

Spectravideo, 39 W. 37th St., M, New York, NY 10018.



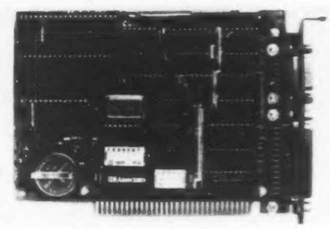
Pfantone Pfaser 3 joystick

Video joystick can fire from almost any position

WAUKEGAN, IL—The Pfantone Pfaser 3 video joystick by Pfanstiehl is a three-position model, which means that it can be fired from virtually any position.

The joystick sports non-skid pads and a five-ft. cord for convenience. It is compatible with Atari, Sears and Commodore units. The unit also features an Ultra-Efficient Directional Radius for accuracy.

Pfanstiehl, 3300 Washington St., M, Waukegan, IL 60085.



IDEAmini multi-function card

IDEA card eases peripheral interface

BEDFORD, MA—The IDEAmini, a plug-in multi-function card, will fit into any slot on the IBM PC and fits into the short slot on the IBM XT, according to IDEAssociates, Inc. Product is a combination input/output card. A combination of up to four of the following options are available: parallel interface; one or two serial interfaces, and clock/calendar/battery. Each serial option comes with an RS-232C cable adaptor with a DB25 connector. The clock/calendar/battery comes with complete ICLOCK software on a diskette. Board includes RAMFloppy disk emulation software; ISPOOL Printer Spooler software, and ISWAP LPT1: LP2 swap program.

The IDEAmini makes it possible to cable both serial and parallel interfaces from the back of the board. Product makes interfaces with printers, disks, and communication devices simple, even for those IBM PCs without the rear knockout, said the firm. Prices range from $175 for one option to $295 for 256KB with four options.

IDEAssociates, Inc., 7 Oak Park Dr., M, Bedford MA, 01730.

COMPUTERS

HOME MGT.

HOMEWORD FILER, Sierra On-Line. Apple II-, II+-, IIe-compatible. Available in May. Suggested retail $69.95.

MANAGING YOUR MONEY, Micro Education Corp. of America. IBM PC-, XT-, PCjr- and Apple IIe-compatible. Available now. Suggested retail $199.95.

MICHAEL, T&F Software. Commodore 64-compatible. Available now. Suggested retail $39.95.

MICRO COOKBOOK, Commodore Software. Commodore 64-compatible. Available now. Suggested retail under $40.

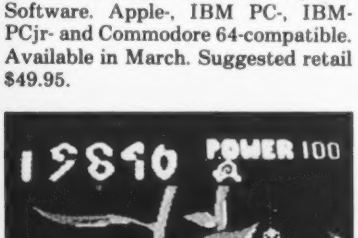
PRACTIFILE, Micro Software International. Commodore 64-compatible. Available now. Suggested retail $55.

Merchandising's TOP 10 TEN

... in videogame software

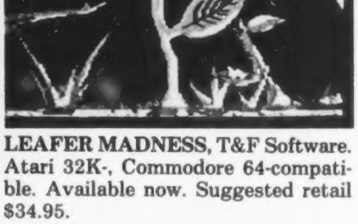
GAMES

ALPHABET BEASTS & CO., Reader's Digest Software. Apple II-, II+-, IIe- and Commodore-64 compatible. Available now. Suggested retail $34.95.

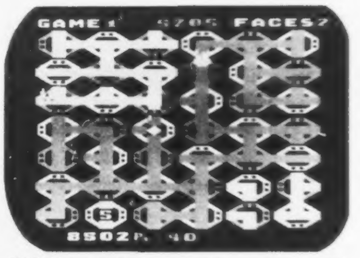


BUBBLE BURST, Spinnaker. Commodore 64-compatible. Available now. Suggested retail $39.95.

COAST-TO-COAST AMERICA, CBS Software. Apple-, IBM PC-, IBM-PCjr- and Commodore 64-compatible. Available in March. Suggested retail $49.95.



LEAFER MADNESS, T&F Software. Atari 32K-, Commodore 64-compatible. Available now. Suggested retail $34.95.



ZENJI, Activision, Inc. Atari XL-series and 5200-compatible. Available early this year. Suggested retail $34.95.

LEARNING

A BEE C's, Commodore Software. Commodore series-compatible. Available early this year. Suggested retail $30 to $40.

BANK STREET SPELLER, Broderbund Software. Apple-compatible. Available now. Suggested retail $69.95.

KIDS SAY THE DARNDEST THINGS, Home Computer Software, Inc. Commodore 64-, Apple II, II+-, IIe- and Atari 800-compatible. Available now. Suggested retail $39.95.

KIDWRITER, Spinnaker. Apple II/IIe-compatible. Available now. Suggested retail $34.95.

MICROSPEEDREAD, CBS Software. Apple-, IBM PC-, IBM PCjr-, Commodore 64-compatible. Available this month. Suggested retail $125.

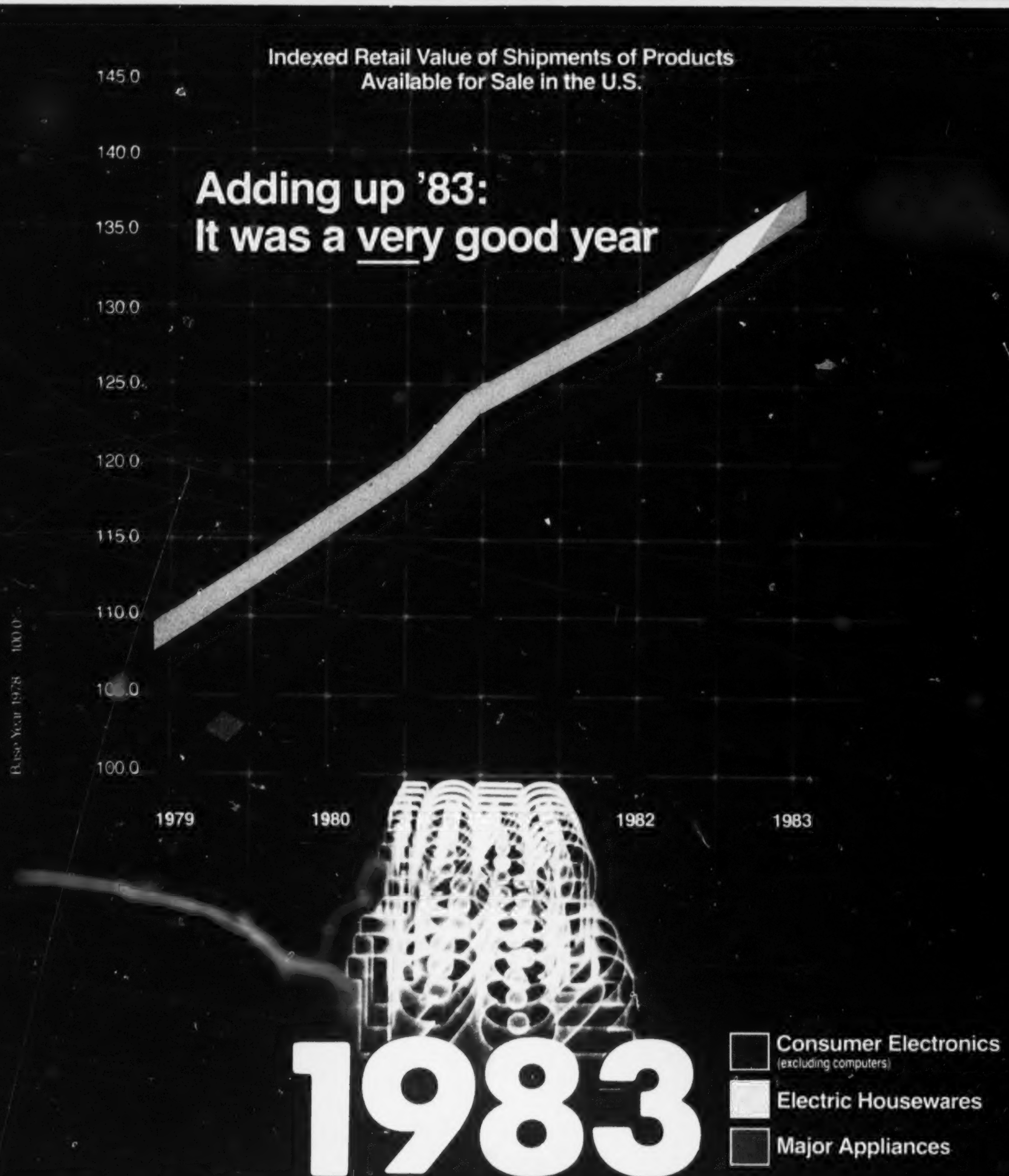
MOVIEMAKER, Reston Software. Atari XL series-compatible. Available now. Apple-, Commodore 64-, IBM PC-compatible. Available early this year. Suggested retail $60.

3/22/84
C4200 - 1

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

Adding up '83:
It was a very good year



1983
62nd ANNUAL STATISTICAL & MARKETING REPORT

Also in this issue:

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Merchandising

FOR OVER 56,200 RETAILERS & WHOLESALERS

March 1984
Our 77th Year
Vol. 9, No. 3

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Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

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Merchandising

62nd Annual Statistical & Marketing Report

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62ND ANNUAL STATISTICAL AND MARKETING REPORT

1983 was a year of rebuilding for consumer electronics, major appliances and housewares.

One huge, collective sigh of relief. That's what those with their ear to the industry heard as 1983 drew to a close.

For many manufacturers of consumer electronics, major appliances and housewares, it was a year of revival. Many old products sprang back to life. Some younger ones seized their chance to shine. And a number of new introductions took off faster than anyone had thought possible.

Fun with numbers

Looking at the figures, we find that the major appliance industry experienced probably the biggest bounce back to health. Unit shipments climbed a whopping 19.3 percent in 1983 over 1982. This compares with a 13.1 percent drop the year before.

And while retail prices were up only 0.3 percent, retail value of all units shipped soared 19.7 percent, further indication of what a strong year it was.

Consumer electronics experienced a 13 percent jump in unit shipments, its largest gain in years and more than double the 5.3 percent increase experienced in 1982 over 1981.

Here, retail prices actually dropped, by 0.4 percent. Still, retail value of the products shipped registered a gain of 12.5 percent.

Housewares also showed good growth, although not quite as much as the other two hardgoods categories tracked. Unit shipments climbed 6.7 percent, compared with a 1.2 percent drop last year. Retail prices were up 2.4 percent, with retail value increasing 9.2 percent.

All in all, a very good year.

And the winners are . . .

Looking at the industry product by product, we find a number that really stood out in 1983, a few (other than those actually introduced last year) that managed to generate growth of greater than 100 percent in units shipped.

In this august group, we find telephones (+246.6%), computer furniture (+166.7%), telephone answerers (+141.2%) and, of course, personal computers (+130.8%).

Next in line for glory are products that generated increases ranging from 50 to 100 percent. Here we find VCR's (+98%) and blank videocassettes (+60.6%).

Many products found their shipments increased between 25 and 50 percent in 1983, including video cameras (+49.6%), prerecorded videocassettes (+47.6%) and videodisc players (+30%). A large number of major appliances fell into this bracket: microwave ovens (+43%), electric ranges (+39.1%), dishwashers (+40%) and disposers (+30.5%).

Finally, singled out for honors, are even more products that produced an increase in shipments ranging from 10 to 25 percent.

In consumer electronics, this includes color TV's (+22.5%), projection TV's (+21.7%), scientific calculators (+19.5%), radar detectors (+16.7%), equalizers (+16.2%), quartz watches (+15.4%), printer calculators (+15%) and videogame software (+12%).

Major appliances in this category include refrigerators (+20.4%), dryers (+19.1%), compact refrigerators (+15.2%), gas ranges (+14.1%), washers (+13.8%) and electronic air cleaners (+10.1%).

A vast number of housewares also generated this kind of growth last year. They include waffle iron/sandwich grills (+22.2%), ceiling fans (+21.9%), hand-held massagers (+18%), electric woks (+17.9%), coffee grinders (+13.3%), bathroom scales (+13.2%), massager foot-baths (+11.7%), electronic bug killers (+11.6%), cookware and bakeware (+11.3%), deep fryers (+11%), microwave cookware (+10.5%) and facial saunas (+10%).

Needless to say, this same sort of analysis done last year would have yielded a much shorter list. Which is to say, once again, hurray for '83.

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What about tomorrow?

As for 1984, we are off to a good start. The question now is whether or not that lead can be sustained. At press time, some economists are claiming that the recovery will continue, while others are saying no, it will not.

Which leaves us pretty much right were we usually stand, working as hard as we can and hoping for the best—that 1984 will end up just as '83 did, a great year ending on a note of promise.

—Lee Rath
editor

How we did it

The data presented in *Merchandising's* 62nd Annual Statistical and Marketing Report is based on information provided by leading manufacturers (and/or their agencies) of the many product lines listed. While most of the information was gotten via mailed questionnaires, a considerable number of in-person and telephone interviews were conducted by *Merchandising's* editors in an attempt to make the number of respondents as sizable as possible.

Survey participants were asked to give their best estimates of the percent change in the number of units shipped, industrywide, for the particular line of merchandise in question. The period covered was the calendar year being surveyed as compared with the previous year. For this report, the 62nd in the series, the change requested was for 1983 vs. 1982. Where a potential respondent was not in considerable agreement with our estimate for 1982 (printed in March 1983), that informant was asked to provide his "corrected" 1982 figure. Respondents were advised that "shipments" as used in this study, include products imported from foreign companies, but exclude products exported by U.S. manufacturers.

The number of units shipped in a particular year, therefore, represent the shipments of products available for sale in the U.S.

Readers are cautioned that all information published in this 62nd annual report is based on consensus rather than census. The questions asked of our respondents, whether by questionnaire or by interview, referred to their opinions of the industrywide changes rather than to individual company performances. None of the manufacturers were asked for the annual changes in their own company's shipments, or in retail prices of their own brand of merchandise. Instead, they were asked to indicate how much the overall total shipments had changed percentage-wise, and what changes there were in the average retail prices for the product category on which they were reporting.

It is understandable, therefore, that information that these manufacturers get from government agencies, market research companies, and their own trade associations (the Electronic Industries Association/Consumer Electronics Group, the Association of Home Appliance Manufacturers, the National Housewares Manufacturers Association among them) would influence the answers to *Merchandising's* questions and, therefore, the results printed here. In some cases, the consensus provided us was so supportive of the estimates distributed by one or more of the aforementioned associations, that the figure we published was very close to the one provided by that organization. In those cases where *Merchandising's* estimates were significantly different than that of a leading association, the reason was usually because of some differences in definition, or that we include imports, or exclude exports . . . or all of these combined.

The editors of *Merchandising* and its market research staff are grateful to the many manufacturers, and their agencies who gave us the benefit of their knowledge of these industries. This report and its many predecessors were made possible by their cooperation.

—Robert Leibson
research director

Statistical matter for this survey was collected and compiled by **Selma Book**, market research manager, and **Matea Esguerra** and **Pat Jagbandhansingh**, research associates. Telephone work was handled by editorial trainee **Susan Kirsch**.

Design: **Bralow Ink**

5 YEAR TABLES
MAJOR APPLIANCES

62ND ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
AIR TREATMENT										
Air Cleaners, Electronic, Total	**196**	**82,032**	**178**	**72,354**	**230**	**90,955**	**224**	**82,912**	**247**	**87,370**
Portable (room type)*	61	17,209	55	15,455	65	17,563	60	15,180	56	12,880
Central and Duct-mounted	135	64,823	123	56,899	165	73,392	164	67,732	191	74,490
Air Conditioners, Room†	2,005	881,939	2,747	1,173,174	3,547	1,426,355	3,187	1,185,564	3,749	1,327,146
Dehumidifiers	494	90,032	492	87,911	601	102,272	718	110,572	684	97,812
Total Air Treatment	**2,695**	**1,054,003**	**3,417**	**1,333,439**	**4,378**	**1,619,582**	**4,129**	**1,379,048**	**4,680**	**1,512,328**
KITCHEN APPLIANCES										
Dishwashers, Total	**3,054**	**1,205,383**	**2,181**	**846,096**	**2,573**	**952,263**	**2,721**	**959,454**	**3,488**	**1,138,216**
Portable	267	113,771	235	98,754	313	124,086	393	146,982	504	174,384
Undercounter & Other	2,787	1,091,612	1,946	747,342	2,260	828,177	2,328	812,472	2,984	963,832
Disposers, Food Waste	3,514	395,009	2,693	293,052	3,067	320,930	2,885	276,960	3,316	295,124
Freezers, Total (10 cu. ft. & over)†	**1,166**	**568,077**	**1,290**	**621,105**	**1,589**	**723,635**	**1,715**	**731,402**	**1,859**	**699,270**
Chest	617	289,256	719	335,399	891	393,216	951	393,714	1,001	360,360
Upright	549	278,821	571	285,706	698	330,419	764	337,688	858	338,910
Microwave Ovens, Total†	**6,006**	**2,586,182**	**4,201**	**1,979,006**	**4,575**	**2,275,349**	**3,585**	**1,612,354**	**2,815**	**1,310,950**
Countertop/Over-the-range	5,521	2,114,568	3,794	1,578,076	4,104	1,789,344	3,320	1,347,920	2,535	1,039,350
Combination Units	290	297,420	245	247,930	303	316,355	265	264,434	280	271,600
Microwave/Convection	195	174,194	162	153,000	168	169,650	**	**	**	**
Ranges, Electric, Total†	**2,839**	**1,299,044**	**2,041**	**901,755**	**2,413**	**1,026,028**	**2,544**	**1,048,176**	**3,003**	**1,151,502**
Freestanding††	2,210	1,021,573	1,590	706,707	1,852	799,188	1,952	817,888	2,244	870,672
All Other††	629	277,471	451	195,048	561	226,840	592	230,288	759	280,830
Ranges, Gas, Total	**1,578**	**694,995**	**1,383**	**584,773**	**1,501**	**619,473**	**1,534**	**582,877**	**1,794**	**643,498**
Freestanding, Set-In††	1,395	588,969	1,220	493,844	1,306	513,258	1,323	477,603	1,538	524,458
High Oven	87	61,910	78	53,371	96	63,744	107	63,986	128	71,552
Built-In††	96	44,116	85	37,558	99	42,471	104	41,288	128	47,488
Ranges, Smoothtop	104	65,879	103	63,654	134	80,400	155	93,000	220	139,040
Refrigerators (6.5 cu. ft. & over)†	5,255	3,607,137	4,365	2,937,470	4,997	3,227,262	5,173	3,093,454	5,701	3,186,859
Trash Compactors	152	46,406	145	42,689	171	48,843	191	50,615	239	60,256
—Duplication†††	– 394	– 363,299	– 348	– 311,584	– 437	– 396,755	– 420	– 357,434	– 500	– 410,640
Total Kitchen Appliances	**23,274**	**10,104,813**	**18,054**	**7,958,016**	**20,583**	**8,877,428**	**20,083**	**8,090,858**	**21,935**	**8,214,075**
HOME LAUNDRY										
Dryers, Total (25" or more in width)	**3,111**	**1,102,076**	**2,612**	**897,860**	**2,892**	**921,090**	**2,933**	**858,442**	**3,333**	**905,517**
Electric	2,456	856,530	2,026	682,681	2,221	692,950	2,257	645,502	2,565	679,725
Gas	655	245,546	586	215,179	671	228,140	676	212,940	768	225,792
Washers, Total (25" or more in width)	**4,315**	**1,931,793**	**3,791**	**1,640,534**	**4,195**	**1,676,135**	**4,254**	**1,641,930**	**4,666**	**1,706,364**
Automatic & Semi-Auto	4,264	1,918,160	3,714	1,620,492	4,081	1,648,724	4,122	1,611,702	4,480	1,666,560
Wringer & Spinner	51	13,633	77	20,042	114	27,411	132	30,228	186	39,804
Total Home Laundry	**7,426**	**3,033,869**	**6,403**	**2,538,394**	**7,087**	**2,597,225**	**7,187**	**2,500,372**	**7,999**	**2,611,881**
COMPACT APPLIANCES										
Refrigerators (Under 6.5 cu. ft.)	568	116,605	493	99,714	534	103,852	543	101,541	498	86,154
Freezers (Under 10 cu. ft.)	242	74,626	225	69,593	291	87,300	310	86,800	282	70,500
Washers (24" or less in width)	278	83,622	252	74,315	284	82,110	266	73,948	299	75,647
Dryers (24" or less in width)	171	59,238	166	56,379	206	66,950	207	66,033	218	63,220
Total Compact Appliances	**1,259**	**334,091**	**1,136**	**300,001**	**1,315**	**340,212**	**1,326**	**328,322**	**1,297**	**295,521**
GRAND TOTAL— MAJOR APPLIANCES	**34,654**	**14,526,776**	**29,010**	**12,129,850**	**33,363**	**13,434,447**	**32,725**	**12,298,600**	**35,911**	**12,543,805**

*Retailing for $200 or more
**Not broken out separately
†See Highlights charts for further breakdown
††Includes microwave oven combinations
†††Microwave oven combinations and Smoothtop ranges

(See 'How we did it,' page 15, for credits)

MAJOR APPLIANCE HIGHLIGHTS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

ROOM AIR CONDITIONER SHIPMENTS BY SIZE OF UNIT

Size in Btu's	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
Under 7,000	623	31.1%	827	30.1%	−24.7%
7,000-10,999	556	27.7	704	25.6	−21.0
11,000-19,999	649	32.4	982	35.8	−33.9
20,000 & Over	177	8.8	234	8.5	−24.4
Total	2,005	100.0%	2,747	100.0%	−27.0%

ROOM AIR CONDITIONER SHIPMENTS BY E.E.R. RATING

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
High (7.5 & Over)	1,018	50.8%	1,368	49.8%	−25.6%
Low (Under 7.5)	987	49.2	1,379	50.2	−28.4
Total	2,005	100.0%	2,747	100.0%	−27.0%

MICROWAVE OVEN SHIPMENTS BY TYPE

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Countertop	4,951	$1,832,811	3,334	$1,327,098
Over-the-Range	570	281,757	460	250,978
Total	5,521	$2,114,568	3,794	$1,578,076

MICROWAVE OVEN/RANGE COMBINATION SHIPMENTS BY TYPE OF UNIT

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Single Cavity	39	$ 36,514	35	$ 32,348
Double Oven, Gas	35	35,469	29	29,098
Double Oven, Electric	216	225,437	181	186,484
Total	290	$297,420	245	$247,930

MICROWAVE/CONVECTION OVEN SHIPMENTS BY TYPE OF UNIT

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Countertop	142	$ 97,980	117	$ 87,750
Full Range Size	53	76,214	45	65,250
Total	195	$174,194	162	$153,000

ELECTRIC RANGE SHIPMENTS BY TYPE OF UNIT

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
Freestanding	2,210	77.8%	1,590	77.9%	+39.0%
Slide-in	144	5.1	103	5.0	+39.8
Drop-in	122	4.3	85	4.2	+43.5
Cooktop	188	6.6	136	6.7	+38.2
Built-in Wall Oven	175	6.2	127	6.2	+37.8
Total	2,839	100.0%	2,041	100.0%	+39.1%

ELECTRIC RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
Self-Cleaning	1,147	40.4%	828	40.6%	+38.5%
Continuous-Cleaning	538	19.0	389	19.0	+38.3
All Other	1,154	40.6	824	40.4	+40.0
Total	2,839	100.0%	2,041	100.0%	+39.1%

GAS RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
Self-Cleaning	198	12.5%	168	12.1%	+17.9%
Continuous-Cleaning	490	31.1	431	31.2	+13.7
All Other	890	56.4	784	56.7	+13.5
Total	1,578	100.0%	1,383	100.0%	+14.1%

PERCENT OF GAS RANGES SHIPPED WITH PILOTLESS IGNITION

Type	1983	1982	Percent Point Change
Pilotless ignition	80.5%	78.2%	+2.3

PERCENT OF RANGES SHIPPED WHICH ACCEPT OPTIONS (i.e. grills, griddles, deep fat fryers, rotisseries)

Type	1983	1982	Percent Point Change
Electric ranges	10.8%	10.6%	+0.2
Gas ranges	4.3	4.0	+0.3

REFRIGERATOR SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
6.5 to 11	349	6.6%	304	7.0%	+14.8%
12 & 13	347	6.6	300	6.9	+15.6
14 & 15	1,254	23.9	1,042	23.9	+20.3
16 & 17	1,278	24.3	1,049	24.0	+21.8
18 & 19	976	18.6	806	18.4	+21.1
20 & 21	568	10.8	475	10.9	+19.6
22 & Over	483	9.2	389	8.9	+24.1
Total	5,255	100.0%	4,365	100.0%	+20.4%

REFRIGERATOR SHIPMENTS BY FREEZING COMPARTMENT*

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
Top-Mount	4,125	78.5%	3,336	76.4%	+23.7%
Bottom-Mount	89	1.7	84	1.9	+ 6.0
Side-By-Side	711	13.5	627	14.4	+13.4
Single Door	330	6.3	318	7.3	+ 3.8
Total	5,255	100.0%	4,365	100.0%	+20.4%

*For Refrigerators 6.5 cu. ft. and over

MAJOR APPLIANCE HIGHLIGHTS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

Major appliance shipments skyrocket in most categories, and suppliers agree that the growth trend will continue

Major appliances really pulled their weight in the consumer durables market in 1983, showing a shipment gain of 19.5 percent. As interest rates dropped, home building starts increased to an annual level of 1.7 million units, disposable dollars loosened up and consumers went out and bought. Many purchased the appliances they had put off buying for several seasons, accounting for shipment gains in all categories except room air conditioners and freezers.

Heavy consumer buying emptied retail and distributor inventories, demanding quick refills by manufacturers. But spot shortages cropped up anyway. Gone are the days when suppliers produce on speculation. Only in-house orders make today's production lines hum. And hum they did, necessitating extra shifts at many plants and the rehiring of laid-off employees.

Hot temps mean sales

Shipments were down in room air conditioners in 1983 by 27 percent. So why are manufacturers smiling? Because the pipelines clogged by 1982's disastrous season are now empty. Hot temperatures last summer moved goods but they were the product that had been carried over from the year before, negating the need for much additional inventory. Now, retail shelves and distributor warehouses are cleaned out and the industry is off to a good start in 1984. Pre-season orders were healthy. All we need now is another hot summer.

Of the air conditioners that were shipped in 1983, a great number of models were smaller units for that consumer anxious to spot cool rooms and turn off the central system. Under 7,000-Btu models represented 31.1 percent of the total shipped; 7,000- to 10,999-Btu models accounted for 27.7 percent, gains of one and 2.1 percentage points, respectively.

Units with high E.E.R.'s edged up slowly, accounting for 50.8 percent of the models shipped last year, compared with 49.8 percent in 1982. Contributing to the growth here were more widespread programs by several public utilities to provide rebates to consumers using high-efficiency units.

Microwave market explodes

"The year of the microwave" is how 1983 has been labelled. Total shipments for the year were up 43 percent; countertop and over-the-range units showed the phenomenal gain of 45.5 percent. The year may have begun on a sluggish note, but by the end of the second quarter, sales were brisk; at the end of the year, all hell broke loose. Many models were just sold out. But smart retailers managed to keep most consumers from walking.

What accounted for a lot of the activity in 1983 was the overwhelming strength of compact ovens, defined by most suppliers as units at 0.8 cu. ft. and under. The mass merchants were the champions in moving product here. They picked up on this size range in large numbers and easily sold massive quantities of ovens at $199 and under price points as if they were popcorn poppers.

But compacts were equally as strong in all outlet types. They provided all retailers with a vehicle with which to expand their market. Compacts appeal to the price-conscious, space-tight consumer. The small sizes and affordable retails made first-time purchasers of many non-owners. Compacts also gave a boost to the two-oven family segment. A multiple TV household is common. The same trend is becoming apparent in microwaves as ovens find their way into summer homes, family rooms, basements, etc.

But man does not cook by microwaves alone. Ranges showed remarkable growth last year as consumers replaced many of the units that had been limping along with broken burners, etc. for a few seasons.

While the renewed strength of the builders' market dealt this category a healthy boost, the remodelling market added even more sales to the total picture. Consequently, electric range shipments grew by 39.1 percent to 2.8 million units last year, gas units increased 14.1 percent to 1.6 million units.

That large box essential in every kitchen—the refrigerator—also zoomed ahead in shipments last year, 20.4 percent to 5.2 million units, again the result of the stronger builders' market and the need to replace many units purchased in the late sixties and early seventies.

REFRIGERATOR SHIPMENTS BY DEFROSTING SYSTEM*

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
No-Frost	4,643	88.4%	3,809	87.3%	+21.9%
All Other	612	11.6	556	12.7	+10.1
Total	5,255	100.0%	4,365	100.0%	+20.4%

FREEZER SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
10-14	209	17.9%	236	18.3%	−11.5%
15	312	26.8	340	26.4	− 8.1
16 & 17	197	16.9	221	17.1	−10.9
18 & 19	120	10.3	135	10.5	−11.5
20 & Over	328	28.1	358	27.7	− 8.5
Total	1,166	100.0%	1,290	100.0%	− 9.6%

FREEZER SHIPMENTS BY DEFROSTING SYSTEM

Type	1983 Units (000)	Percent of Total	1982 Units (000)	Percent of Total	Percent Change 1983/1982
No-Frost	82	7.0%	113	8.8%	−27.4%
All Other	1,084	93.0	1,177	91.2	− 7.9
Total	1,166	100.0%	1,290	100.0%	− 9.6%

*For Refrigerators 6.5 cu. ft. and over

But even though new homes are reportedly being built with smaller dimensions, this trend apparently has not had much effect on the kitchen. There is little evidence of downsizing in refrigerators. Today's consumer still wants capacity to store the food from weekly shopping trips. And most are still content with the top-mount configuration. It represented 78.5 percent of the units shipped in 1983, compared with 76.4 percent in 1982.

Although accounting for a smaller percentage of the total number of units shipped last year—13.5 percent compared with 14.4 percent in 1982—side-by-sides showed healthy growth in overall shipments—up 13.4 percent, as many consumers traded up to the high-end models in refrigerator lines, which sport features like ice and water through the door.

Laundry shipments gain

Laundry is one category that doesn't rise and fall according to the health of the builders' and remodelling markets since these units are still often not in the kitchen, but are instead relegated to basements, garages, etc. But here, too, shipments are up.

Automatic and semi-auto washers were ahead 14.8 percent in shipments last year to 4.3 million units. Flailing, however, are wringer and spinner units, down 33.8 percent to 51,000 units. One reason for the decline here is the exit of one major manufacturer from the category.

Dryers, a more postponeable purchase than washers, showed gains of 19.1 percent to 3.1 million units for the year. What helped move goods here were the efforts of many retailers to promote laundry products as pairs, offering special price incentives, soap giveaways, etc., for a double purchase.

The improved economy has also given a shot of adrenalin to the compact appliance market with gains in both laundry and refrigeration products. In fact, at least one supplier entered the washer market during the past year and another is re-entering the arena, attesting to the potential of the category. Shipments last year jumped 10.2 percent to 278,000 units.

Compact refrigerators are on an upward streak and will continue on that track as long as disposable dollars remain available, say suppliers. Shipments were ahead 15.2 percent for 1983. Here, too, more players are being added—one major foreign supplier recently threw its hat into the ring.

—Nancy Markov
managing editor/major appliances

5 YEAR TABLES HOME AND AUTO ELECTRONICS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
VIDEO										
TV, B&W, Total†	**5,761**	**613,623**	**5,750**	**625,784**	**5,542**	**615,659**	**6,149**	**684,891**	**6,281**	**681,867**
Portable & Table	5,755	612,102	5,738	622,745	5,529	612,300	6,132	680,763	6,258	675,864
Console & Combo	6	1,521	12	3,039	13	3,359	17	4,128	23	6,003
TV, Color, Total†	**13,939**	**6,695,209**	**11,377**	**5,640,732**	**11,262**	**5,664,969**	**10,855**	**5,283,773**	**9,793**	**4,617,829**
Portable & Table	11,131	4,696,503	8,928	3,883,501	8,788	3,880,869	8,418	3,560,814	7,530	3,094,830
Console & Combo	2,808	1,998,706	2,449	1,757,231	2,474	1,784,100	2,437	1,722,959	2,263	1,522,999
TV, Projection	142	284,924	117	277,242	121	271,878	77	209,902	63	182.700
Videocassette Recorders†	4,020	2,302,662	2,030	1,344,000	1,330	1,057,058	804	699,966	478	431,292
Video Cameras†	410	357,992	284	265,443	186	186,309	115	120,056	73	62,048
Prerecorded Videotape/Cassettes†	9,606	520,655	6,510	407,218	5,172	379,928	3,151	209,558	2,158	153,910
Videodisc Players†	312	106,392	240	93,000	160	80,200	**	**	**	**
AUDIO/HIFI										
Components, Total	**8,599**	**1,518,149**	**8,192**	**1,474,749**	**8,431**	**1,561,173**	**8,919**	**1,704,213**	**9,087**	**1,668,645**
Receivers	1,550	390,213	1,421	380,970	1,440	419,746	1,465	414,595	1,450	398,750
Amps and Pre-Amps	360	166,869	365	166,217	358	173,058	349	160,966	360	155,120
Tuners	221		201		193		184		194	
Turntables (Excluding OEM)	2,120	280,285	2,239	314,214	2,304	321,754	2,336	310,688	2,433	316,290
Speakers (Components Only)	3,237	452,144	2,970	418,206	3,197	453,814	3,735	623,578	3,850	600,600
Equalizers	186	23,179	160	19,840	155	19,375	134	16,348	125	14,375
Compact Disc Players	45	33,300	**	**	**	**	**	**	**	**
Tape Decks, Total	**880**	**172,159**	**836**	**175,302**	**784**	**173,426**	**716**	**178,038**	**675**	**183,510**
Cassette	775	141,019	707	137,292	634	129,596	545	117,265	495	113,850
8-Track	39	5,004	49	6,570	60	8,460	68	10,200	72	10,800
Open Reel	66	26,136	80	31,440	90	35,370	103	50,573	108	58,860
Cartridges (Excluding OEM)	3,774	122,466	3,629	117,543	3,699	115,409	3,745	112,350	3,500	98.000
Headphones	2,809	125,225	2,584	114,058	2,241	113,041	2,080	180,173	2,000	97,983
Compact Systems, Total††	**2,748**	**549,822**	**2,966**	**583,753**	**3,578**	**592,764**	**3,945**	**883,705**	**4,341**	**939,028**
Cassette Bimode	76	13,607	83	14,890	77	15,015	80	14,880	73	14,162
8-Track Player Bimode	88	8,628	134	13,137	248	25,594	310	39,990	383	54,769
8-Track Player Trimode***	277	34,342	409	50,708	572	74,646	637	110,838	777	140,637
8-Track Recorder Bimode	107	10,966	158	16,276	274	29,099	321	56,817	417	79,230
Changer Bimode***	102	10,768	160	16,891	200	23,460	233	32,154	268	37,788
8-Track Recorder Trimode***	364	56,893	457	71,790	783	125,515	974	223,046	1,188	283,932
Cassette Trimode***	1,500	354,585	1,337	341,684	1,176	328,457	1,060	281,960	1,235	328,510
Cassette, Quadmode***	234	60,033	228	58,377	248	70,978	330	124,020	*	*
Personal Portable Stereos, Total	**6,253**	—	**5,652**	—	**	**	**	**	**	**
Cassette Only	3,250	—	2,910	—	**	**	**	**	**	**
Cassette and Radio	2,300	—	2,146	—	**	**	**	**	**	**
Radio Only	703	—	596	—	**	**	**	**	**	**
Portable Tape Units, Total	**28,903**	**1,441,226**	**28,050**	**1,474,088**	**28,093**	**1,587,512**	**23,366**	**1,447,166**	**20,298**	**1,164,745**
Cassette Recorders	16,000	605,600	15,817	642,328	16,025	692,280	13,720	740,880	12,250	600,250
8-Track Players/Recorders	481	20,620	704	31,772	867	41,182	955	50,102	1,157	74,225
Radio/Cassette Combinations	11,880	784,318	11,000	768,460	10,700	823,900	8,282	629,432	6,733	471,310
Microcassette Recorders	542	30,688	529	31,528	501	30,150	409	26,752	158	18,960
Radios, Total†	**28,188**	**863,298**	**26,518**	**819,094**	**27,881**	**863,475**	**27,012**	**867,693**	**28,550**	**918,750**
Table	762	30,739	768	31,296	986	41,215	1,053	46,332	1,250	56,250
Portable†††	18,225	449,429	17,161	419,072	17,493	424,555	16,613	382,099	17,100	393,300
Clock	9,201	383,130	8,589	368,726	9,402	397,705	9,346	439,262	10,200	469,200
AUTOSOUND										
Autosound, Total	**21,132**	**1,850,886**	**20,741**	**1,772,897**	**19,823**	**1,655,596**	**18,362**	**1,486,839**	**18,630**	**1,518,225**
UD 8-Track Player	300	11,040	506	22,497	708	34,982	871	47,034	1,300	78,000
UD 8-Track/Radio Combo	78	3,966	163	11,607	208	16,099	275	23,650	500	48,000
ID 8-Track/Radio Combo	819	43,079	1,343	110,905	1,722	152,914	1,950	214,500	2,500	342,500
UD Cassette Player	694	58,733	692	57,644	722	56,316	822	64,116	775	58,900
UD Cassette/Radio Combo	519	59,197	556	70,073	607	77,271	605	81,070	605	75,625
ID Cassette/Radio Combo	3,641	675,624	3,328	572,849	2,899	485,409	2,486	400,246	2,200	343,200
Radios Only (Retrofit)	975	104,150	1,057	112,687	1,082	120,492	1,188	137,808	1,250	135,000
Car Speakers (In Pairs)	13,427	833,817	12,479	759,722	11,303	662,921	10,165	518,415	9,500	437,000
Equalizers	679	61,280	617	54,913	572	49,192	**	**	**	**
Radios, Citizens Band, Total	**1,592**	**124,861**	**1,498**	**122,032**	**1,522**	**125,878**	**1,412**	**111,706**	**1,590**	**130,210**
Base Units	155	15,850	161	16,382	162	17,350	169	17,238	190	24,885
Mobile Units	1,437	109,011	1,337	105,650	1,360	108,528	1,243	94,468	1,400	105,325
BLANK TAPE										
Blank Audiotape/Cassettes, Total	**263,501**	**654,468**	**251,781**	**639,419**	**246,393**	**629,125**	**244,747**	**594,812**	**234,786**	**511,259**
Cassette†	251,855	586,822	236,344	562,499	228,147	542,990	218,689	487,676	203,986	399,509
Open Reel	7,317	61,975	7,567	64,092	8,018	70,077	8,864	74,812	9,200	72,558
8-Track	4,329	5,671	7,870	12,828	10,228	16,058	17,194	32,324	21,600	39,192
Blank Videotape/Cassettes, Total	**616,690**	**725,204**	**38,423**	**551,931**	**26,711**	**409,649**	**15,316**	**257,604**	**9,967**	**175,672**
Beta	15,870	175,364	12,207	158,691	9,361	128,058	6,028	90,420	4,567	73,072
VHS	45,820	549,840	26,216	393,240	17,350	281,591	9,288	167,184	5,400	102,600

*Not broken out separately
**Category not reported
*** Includes Changer
†See Highlights charts for further breakdown
††All units include stereo radio
†††Excludes personal headphone type

(See 'How we did it,' page 15, for credits)

5 YEAR TABLES
HOME AND AUTO ELECTRONICS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
PERSONAL ELECTRONICS										
Calculators, Total	**30,895**	**925,351**	**29,030**	**902,240**	**28,260**	**831,840**	**26,502**	**841,280**	**25,380**	**843,063**
Hand-Held, Total	**26,023**	**458,694**	**24,492**	**456,265**	**23,905**	**409,481**	**22,288**	**419,514**	**21,317**	**425,333**
Mini-Card	2,507	40,087	2,406	40,493	2,760	46,920	2,754	57,834	2,598	57,156
Printer	1,395	66,374	1,302	68,837	824	44,496	659	47,448	573	47,559
Programmable	135	18,046	123	16,359	106	14,840	88	13,640	82	13,530
Other, Total	**21,986**	**334,187**	**20,661**	**330,576**	**20,215**	**303,225**	**18,787**	**330,592**	**18,064**	**307,088**
Scientific	5,687	*	4,760	*	4,367	*	*	*	*	*
All other	16,299	*	15,901	*	15,848	*				
Desk-Top, Total	**4,872**	**466,657**	**4,538**	**445,975**	**4,355**	**422,359**	**4,214**	**421,766**	**4,063**	**417,730**
Display Only	938	56,421	875	52,894	915	55,815	927	54,693	946	56,760
Printer Only	1,012	85,251	880	73,982	1,123	95,455	1,095	95,265	1,106	99,540
Printer/Display	2,922	324,985	2,783	319,099	2,317	271,089	2,192	271,808	2,011	261,430
Personal Computers†	4,500	—	1,950	—	750	—	371	—	246	—
Radar Detectors	710	109,823	608	104,497	518	87,542	464	72,848	576	69,660
Telephones†	19,135	1,167,591	5,521	471,939	3,155	289,395	2,643	222,779	2,244	163,156
Telephone Answering Devices	2,094	263,844	868	131,936	697	111,520	579	92,640	495	80,685
Videogames	6,280	487,768	6,542	846,862	4,010	519,095	2,806	327,909	2,700	201,177
Videogame Software	68,320	1,699,802	61,000	1,525,000	36,000	972,000	**	**	**	**
Non-Video Electronic Games†	14,047	—	14,045	—	16,539	—	19,702	—	16,083	—
Watches, Quartz	**54,939**	**1,732,271**	**	**	**	**	**	**	**	**
Digital†	24,939	502,271	24,274	611,219	23,595	625,268	21,163	623,030	19,717	648,654
Analog†	30,000	1,230,000	**	**	**	**	**	**	**	**
ELECTRONICS FURNITURE										
Electronics Furniture, Total	**5,168**	**668,009**	**4,628**	**556,868**	**4,144**	**487,334**	**	**	**	**
Audio (components)	887	139,108	820	125,485	863	129,500	**	**	**	**
Audio/Video Centers	149	56,885	145	54,705	127	44,432	**	**	**	**
Home Computer Tables	400	62,620	150	23,250	50	7,500	**	**	**	**
Microwave Oven Carts	651	88,263	611	80,223	575	71,875	**	**	**	**
Stereo Carts	119	7,627	132	8,525	160	10,830	**	**	**	**
Television Carts	2,332	205,682	2,172	182,411	2,088	167,043	**	**	**	**
TV/VCR/Videodisc Player Carts	460	99,604	331	68,912	281	56,154	**	**	**	**
Videogame Carts	170	8,220	267	13,357	—	—	**	**	**	**

*Not broken out separately   **Category not reported   †See Highlights charts for further information

(See 'How we did it,' page 15, for credits)

Records were broken in video, computers, telephones and personal electronics

Oh, what a year that was!

In most quarters of the consumer electronics industry, 1983 was a year for setting records. VCR's, color TV's, computers, telephones and more all found themselves in the national spotlight. And while there may have been problems, they tend to fade from memory when we look at that bottom line for units shipped:

- Four million VCR's
- Four and a half million computers
- Fourteen million color TV's
- Nineteen million telephones

These rounded figures give you an idea of just what kind of a year it was. And the good news is that the boom's not over yet. Early reports on the first weeks of 1984 show the surge continuing.

Video at the vanguard

Definitely the hottest category, both numbers- and dollars-wise, is video. And there, the most notable gains were made in VCR shipments. They doubled over 1982's, thanks to plunging prices and an improved economy.

With saturation nearing the magical 10 percent mark, the VCR is getting well entrenched as a staple in many homes. Can anything stop it? We certainly hope not. If the new eight-mm systems can just be *slipped* into the market—expanding it without shaking it up—all should go well.

Meanwhile in prerecorded video, the big news this year was the birth of the $39.95 price point for the hottest-selling hits. Titles such as Flashdance and Raiders of the Lost Ark helped the category post close to a 50 percent jump in units shipped, and converted many former renters into buyers.

VCR owners are, however, doing more than just watching prerecorded flicks. This is evidenced by a 40 percent gain in the number of blank tape shipments. Now, with the Supreme Court decision behind us, this market, too, can look forward to unchecked growth in the years to come.

As for the videodisc player, it continues to fail to live up to its promise, either in the CED or the laser format. But don't count this product out yet. Interactive capabilities have given these products powers that most consumers are not yet aware of. But they will be soon. And then: Watch out.

With everyone giddy over video, it's only natural that the industry workhorse, the color TV, should find itself back into the center ring. Shipments climbed more than 20 percent here, a sure sign that a quality picture is as important as the programming to the consumer.

Audio enters the laser age

The arrival of the compact disc took the audio industry by storm in 1983. Although only 45,000 units were shipped, that figure is expected to climb dramatically this year. Prices on second-generation models are down and manufacturers have stepped up their production lines to meet the demand.

Already, we're seeing prototypes of CD players for the car, and hearing rumblings of portable products close at hand.

Speaking of portables, that segment of the audio market continued to generate most of the non-digital excitement last year. Shipments of both personal portables and boomboxes continued to climb, as these products move from "fad" to "must have" status for many consumers.

As for autosound, the market seems to have hit a plateau as a whole, although shipments of indash cassette/radio combos continue to climb. Signs that this business is starting to mature should not go unnoticed.

It could have been so good

Although computers registered a healthy growth in units shipped last year, things could have been much much better. And hardware makers have no one to blame but themselves.

Reckless attempts to gain market share resulted in a round of cutthroat price slashing. And the long-predicted shakeout that ensued left many companies licking their wounds.

Insult was added to injury when several hardware makers missed their big chance at Christmas by failing to deliver promised goods. Atari's new XL series and Coleco's Adam were among the heavily under-delivered products.

(continued on page 25)

VIDEO

BLACK & WHITE TV SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Battery-powered	1,785	1,623	+10.0%
Non-battery-powered	3,976	4,127	– 3.7
Total	5,761	5,750	+ 0.2%

B&W TV SHIPMENTS BY SCREEN SIZE

Screen Size	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
10 in. & under	1,385	1,226	+13.0%
11 to 12 in.	4,094	4,128	– 0.8
Over 12 in.	282	396	–28.8
Total	5,761	5,750	+ 0.2%

COLOR TV SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
With Remote Control	5,207	3,825	+36.1%
Without Remote Control	8,732	7,552	+15.6
Total	13,939	11,377	+22.5%

COLOR TV SHIPMENTS BY SCREEN SIZE

Screen Size	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Portable & Table, Total	11,131	8,928	+24.7%
13 in. & under	3,207	2,272	+41.1
14 to 17 in.	563	619	– 9.0
18 to 19 in.	6,727	5,696	+18.1
20 in. & over	634	341	+85.9
Console & Combo, Total	2,808	2,449	+14.7
23 in.	153	209	–26.8
25 in.	2,655	2,240	+18.5
Total	13,939	11,377	+22.5%

COLOR TV SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Cable-Ready	7,674	5,701	+34.6%
Non-Cable-Ready	6,265	5,676	+10.4
Total	13,939	11,377	+22.5%

(continued from page 23)

Discounting was also a key factor in the videogame market in 1983. The gain in software unit shipments was eaten away by plunging retail prices. Casualties cropped up everywhere.

Meanwhile, industry members continue to debate the videogame's future. While many retailers say they'd be happy to just call the whole thing off, the manufacturers keep hinting that brave new technologies—most

(continued on page 26)

VIDEOCASSETTE RECORDER SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Portable VCR	713	427	+ 66.9%
Deck VCR	3,307	1,603	+106.3
Total	4,020	2,030	+ 98.0%

VIDEOCASSETTE RECORDER SHIPMENTS BY FORMAT

	1983		1982	
Format	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Beta	897	$548,785	490	$343,000
VHS	3,123	1,753,877	1,540	1,001,000
Total	4,020	2,302,662	2,030	1,344,000

VIDEO CAMERA SHIPMENTS BY TYPE

	1983		1982	
	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
B&W	—	—	10	$2,537
Color	410	$357,992	274	262,906
Total	410	357,992	284	265,443

PRERECORDED VIDEOTAPE SHIPMENTS BY FORMAT

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Beta	2,633	$131,492	1,960	$113,288
VHS	6,973	389,163	4,550	293,930
Total	9,606	520,655	6,510	407,218

PRERECORDED VIDEOTAPE SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
General Interest	7,317	4,400	+66.3%
X-rated	2,289	2,110	+ 8.5
Total	9,606	6,510	+47.6%

VIDEODISC PLAYER SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
CED	274	210	+30.5%
Laser	38	30	+26.7
Total	312	240	+30.0%

VIDEODISC SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
CED	4,034	2,809	+43.6%
Laser	1,334	936	+42.5
Total	5,368	3,745	+43.3%

ELECTRONICS HIGHLIGHTS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

AUDIO

BLANK AUDIOCASSETTE SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Metal Particle Tape	1,035	1,012	+2.3%
*Premium	142,522	132,826	+7.3
Promotional	108,298	102,506	+5.7
Total	251,855	236,344	+6.6%

HOME RADIO SHIPMENTS BY POWER SOURCE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Plug-In	10,125	9,639	+5.0%
Battery-Operated	8,958	8,204	+9.2
AC/DC Combo	9,105	8,675	+5.0
Total	28,188	26,518	+6.3%

HOME RADIO SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
AM only	2,576	3,180	−19.0%
FM & AM/FM	25,612	23,338	+ 9.4
Total	28,188	26,518	+ 6.3%

CLOCK RADIO SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Analog	524	785	−33.3%
Digital, Total	8,677	7,804	+11.2
Electronic Display	7,918	6,637	+ 19.3
Mechanical Leaf	759	1,167	− 35.0
Total	9,201	8,589	+ 7.1%

SPECIALTY RADIO SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Multi-band	6,258	6,594	−5.1%
Weather-band	1,069	1,075	−0.6
Scanners	780	829	−5.9%

*High coercivity ferrite, cobalt ferrite, etc.

PERSONAL ELECTRONICS

BLANK FLOPPY DISK SHIPMENTS

	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Blank Floppy Disk	193,000	119,000	+62.2%

TELEPHONE SHIPMENTS

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Standard	6,500	$206,050	1,406	$45,765
One-Piece	5,500	69,575	1,000	22,000
Decorator	2,058	209,504	1,592	159,200
Advanced Electronic	589	72,094	536	77,184
Cordless	4,488	610,369	987	167,790
Total	19,135	1,167,591	5,521	471,939

NON-VIDEO ELECTRONIC GAME SHIPMENTS

	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Board (strategy)	3,626	3,357	+8.0%
Hand-Held	10,421	10,688	−2.5
Total	14,047	14,045	+0.1%

DIGITAL WATCH SHIPMENTS BY TYPE

	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Men's	18,186	17,673	+2.9%
Ladies'	6,753	6,601	+2.3
Total	24,939	24,274	+2.7%

ANALOG WATCH SHIPMENTS BY TYPE

	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Men's	12,000	9,330	+28.6%
Ladies'	18,000	13,998	+28.6
Total	30,000	23,328	+28.6%

(continued from page 25)

likely, the interactive videodisc—will save the day before the year is out.

The year of the phone

While members of the computer and videogame industry were busy beating each other up, telephone manufacturers were hard at work trying to turn 1983 into the year of the phone. With the breakup of AT&T looming, the media was bombarded with stories about the ramifications.

As a result, consumers were forced to look closely at the situation. And many chose to buy their own phones, finding that, over the long run, it would generate substantial savings.

Phones of all kinds—from decorator models to basics to cordless—fared extremely well. Booming sales brought all kinds of new manufacturers and retailers into the picture—a picture that changed almost daily.

Telephone answerers also saw substantial growth in '83. But still, there's room to grow as this device becomes a necessity, not just a luxury, for increasing numbers of busy households.

Other personal electronics categories also saw advances in technology and design translated into increased shipments last year. Calculators and watches stand among the products that did well.

In fact, the only category in the personal electronics arena to chalk up a loss is the electronic game of the non-video variety. However, signs are that the market is stabilizing around fewer suppliers. Plus, more challenging games, now appearing on the horizon, should give this category a good, long, healthy future.

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& personal electronics

5 YEAR TABLES
HOUSEWARES

62ND ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
KITCHEN ELECTRICS										
Bag Sealers	1,996	28,922	2,016	28,930	2,064	28,896	2,150	27,950	2,390	28,680
Blenders	4,693	113,383	4,587	108,987	4,823	110,929	4,673	102,806	5,025	105,525
Broilers, Total	**2,236**	**133,602**	**2,205**	**130,680**	**2,435**	**136,700**	**2,518**	**133,084**	**2,423**	**118,779**
With Rotisseries	370	30,692	385	31,308	420	31,920	441	31,311	464	30,624
Without Rotisseries	1,866	102,910	1,820	99,372	2,015	104,780	2,077	101,773	1,959	88,155
Can Openers, Total	**5,784**	**95,407**	**5,439**	**85,421**	**5,544**	**85,386**	**5,550**	**79,857**	**5,520**	**73,947**
Single Units	3,163	47,888	2,978	42,526	2,954	41,356	2,981	38,753	2,951	35,412
Combination Units	2,621	47,519	2,461	42,895	2,590	44,030	2,569	41,104	2,569	38,535
Coffee Grinders	445	9,621	393	8,332	375	7,500	361	6,859	368	6,624
Coffee Makers, Total	**13,288**	**378,444**	**12,690**	**356,750**	**12,655**	**347,983**	**12,957**	**338,388**	**12,104**	**298,280**
Automatic (1-16 cup)	2,865	65,637	2,763	62,056	2,850	62,700	3,051	61,020	2,906	50,855
Party Perc (Over 16 cup)	918	28,798	900	27,675	938	28,140	967	27,076	921	23,946
ADC	9,505	284,009	9,027	267,019	8,867	257,143	8,939	250,292	8,277	223,479
Convection Ovens	271	49,051	300	54,000	428	79,180	488	92,720	250	50,000
Corn Poppers, Total	**5,814**	**158,442**	**5,778**	**160,374**	**5,777**	**156,456**	**5,543**	**141,340**	**5,280**	**129,791**
Hot Air	3,854	128,415	3,862	131,308	3,703	125,902	3,480	112,720	2,900	96,877
Hot Oil	1,960	30,027	1,916	29,066	2,074	30,554	2,063	26,620	2,380	32,914
Crepe Pans	222	3,057	206	2,701	242	3,107	277	3,324	364	4,732
Deep Fryers	3,365	83,478	3,031	72,883	2,952	67,546	2,869	58,724	2,818	55,060
Egg Cookers	430	7,542	415	7,138	428	7,276	460	7,360	460	6,900
Fondues, Electric	179	4,951	178	4,689	177	4,602	195	4,680	215	4,945
Food Processors	2,786	186,996	2,689	171,881	3,186	197,532	3,180	203,520	3,000	183,000
Food Slicers	527	31,341	488	28,450	535	29,960	560	29,680	523	26,673
Fry Pan—Skillets	2,769	130,752	2,632	121,835	2,553	112,332	2,736	109,440	2,709	102,942
Griddles/Quick Grills	559	22,762	554	21,484	580	21,460	628	21,352	661	21,152
Hotplates & Buffet Ranges	914	26,625	905	26,100	807	22,596	795	20,670	803	20,075
Ice Cream Makers	1,388	33,187	1,348	31,287	1,327	29,194	1,332	27,972	1,306	25,467
Ice Crushers	187	4,666	178	4,311	196	4,704	195	4,290	188	3,760
Irons, Total	**11,390**	**359,102**	**10,797**	**333,667**	**10,882**	**326,442**	**11,184**	**317,149**	**10,340**	**286,590**
Steam & Steam/Spray†	10,799	349,624	10,216	324,756	10,300	316,730	10,584	307,755	9,795	278,395
Automatic Dry	374	6,440	380	6,232	382	6,112	403	6,045	350	5,075
Travel	217	3,038	201	2,679	200	3,600	197	3,349	195	3,120
Knives, Electric Slicing	1,564	31,546	1,580	30,936	1,672	31,768	1,641	29,538	1,692	28,764
Mixers, Food, Total	**5,322**	**178,606**	**5,217**	**172,451**	**5,330**	**170,650**	**5,626**	**159,596**	**5,568**	**155,850**
Stand Type	1,201	91,612	1,208	89,465	1,281	89,670	1,268	81,152	1,457	85,963
Portable Hand	4,121	86,994	4,009	82,986	4,049	80,980	4,358	78,444	4,111	69,887
Pasta Makers, Electric	420	—	350	—	**	**	**	**	**	**
Slow Cookers	5,676	130,889	5,500	120,780	5,641	118,461	5,585	111,700	5,641	107,179
Tea Kettles, Electric	84	—	75	—	**	**	**	**	**	**
Toasters, Total	**9,535**	**326,269**	**8,934**	**293,093**	**9,249**	**289,900**	**9,291**	**267,988**	**8,916**	**252,136**
Two-Slice	4,783	106,852	4,453	96,586	4,643	97,503	4,709	94,180	4,576	91,920
Four-Slice	1,666	60,143	1,653	57,938	1,744	59,296	1,787	57,184	1,752	52,560
Toaster-Ovens	875	37,625	840	34,398	909	35,451	908	33,596	888	32,856
Toaster-Oven/Broilers	2,211	121,649	1,988	104,171	1,953	97,650	1,887	83,028	1,700	74,800
Waffle Irons/Sandwich Grills	1,408	38,875	1,152	30,885	1,141	29,666	1,141	27,384	1,119	24,618
Woks, Electric	660	27,562	560	24,108	550	23,100	566	22,074	578	22,542
AIR TREATMENT										
Air Purifiers*†	5,368	139,514	5,650	147,635	4,300	118,250	**	**	**	**
Fans, Total†	**21,003**	**1,523,590**	**19,751**	**1,436,760**	**19,283**	**1,484,527**	**17,100**	**1,286,704**	**12,930**	**503,537**
Ceiling	6,117	825,795	5,067	760,050	4,830	845,250	3,670	734,000	**	**
Other	14,886	697,795	14,684	676,710	14,453	639,277	13,430	552,704	12,930	503,537
Portable Electric Heaters, Total	**4,163**	**190,494**	**4,609**	**206,563**	**4,551**	**202,742**	**4,569**	**196,396**	**4,957**	**178,108**
Fan-Forced	2,566	95,378	2,829	103,089	2,760	95,766	2,854	91,328	3,805	114,150
Non-Fan-Forced	148	3,582	173	4,178	170	3,910	176	3,696	207	3,933
Baseboard	218	12,158	240	13,306	263	13,886	289	13,872	445	20,025
Oil-Filled	481	41,126	441	39,690	220	20,900	**	**	**	**
Quartz	750	38,250	926	46,300	1,138	68,280	1,250	87,500	500	40,000
Kerosene Heaters	2,910	309,188	3,981	497,625	2,633	460,775	**	**	**	**
Humidifiers	898	103,872	895	101,493	869	93,852	821	86,205	850	80,750
Vaporizers	1,853	23,385	1,808	21,931	1,747	20,178	1,624	17,864	1,400	14,000
FLOOR CARE										
Carpet Sweepers	1,712	41,756	1,571	36,494	1,499	34,477	1,404	29,484	1,300	26,000
Floor Polishers	210	15,378	209	12,243	308	17,864	315	17,327	358	18,957
Vacuum Cleaners, Total	**8,230**	**1,213,371**	**7,603**	**1,098,825**	**8,005**	**1,176,890**	**7,727**	**1,089,397**	**8,199**	**1,085,489**
Canisters	2,552	514,789	2,401	451,820	2,650	514,100	2,585	483,631	2,810	491,995
Upright	4,229	642,766	4,001	602,110	4,150	618,350	3,979	565,219	4,145	551,433
Lightweight†	1,449	55,816	1,201	44,895	1,205	44,440	1,163	40,547	1,244	42,061
Total Floor Care	**10,152**	**1,270,505**	**9,383**	**1,147,562**	**9,812**	**1,229,231**	**9,446**	**1,136,208**	**9,857**	**1,130,446**

*Retailing for under $200

**Category not reported

†See Highlights charts for further breakdown

(See 'How we did it,' page 15, for credits)

5 YEAR TABLES
HOUSEWARES

62ND ANNUAL STATISTICAL AND MARKETING REPORT

PERSONAL CARE

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
Blood Pressure Monitors	2,000	126,500	1,650	90,750	**	**	**	**	**	**
Curling Brushes	2,080	25,064	2,000	24,600	2,117	25,404	1,969	21,659	875	10,500
Curling Irons†	6,153	52,909	5,984	52,863	6,339	54,994	6,496	58,340	6,463	58,868
Hair Dryers, Total	**18,857**	**316,745**	**18,413**	**315,876**	**18,359**	**309,375**	**18,865**	**317,034**	**18,488**	**312,670**
Pistol Type	13,907	207,632	13,398	204,052	13,008	195,120	12,880	193,200	12,267	189,525
Styling Dryers	4,032	79,148	4,000	79,320	4,308	83,489	4,940	93,860	5,200	96,044
Hard-Top	568	21,482	605	22,857	601	22,237	582	19,788	539	16,979
Portable With Bonnet	350	8,484	410	9,647	442	10,166	463	10,186	482	10,122
Hair Setters†	2,995	74,186	2,843	67,066	2,832	64,838	2,735	58,721	2,382	51,800
Heating Pads	4,374	53,057	4,267	49,284	4,301	47,311	4,389	43,890	4,100	36,900
Massagers, Foot Bath	1,804	74,325	1,615	64,600	1,442	64,890	1,140	57,000	750	37,500
Massagers, Hand-Held	1,348	22,687	1,142	19,026	940	15,341	863	13,808	830	13,280
Massagers, Shower (Heads)	2,453	63,189	2,250	57,105	2,110	52,750	2,017	46,391	1,885	37,229
Mirrors, Make-Up	1,786	39,917	1,729	38,453	1,689	37,158	1,682	35,322	1,633	34,293
Oral Hygiene Devices, Total	**1,729**	**36,602**	**1,625**	**33,624**	**1,654**	**33,756**	**1,656**	**31,242**	**1,650**	**27,721**
Oral Irrigators	1,170	29,016	1,091	26,522	1,114	26,736	1,137	25,014	1,126	21,957
Toothbrushes, Electric	559	7,586	534	7,102	540	7,020	519	6,228	524	5,764
Saunas, Facial	715	14,643	650	12,610	620	11,780	583	10,494	550	9,763
Scales, Bathroom†	6,993	160,133	6,178	122,382	6,100	112,600	5,888	96,944	5,518	78,190
Shavers, Total	**6,805**	**212,679**	**6,367**	**205,553**	**6,179**	**195,513**	**6,007**	**189,685**	**5,960**	**177,405**
Men's	5,333	184,255	5,031	179,803	4,882	170,870	4,722	165,270	4,675	154,275
Women's	1,472	28,424	1,336	25,745	1,297	24,643	1,285	24,415	1,285	23,130
Whirlpool Baths, Portable	125	—	118	—	**	**	**	**	**	**

CLOCKS

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
Clocks, Total†	**31,406**	**581,610**	**30,327**	**550,379**	**29,605**	**530,225**	**27,291**	**462,432**	**26,664**	**417,494**
Decorative Wall, Total	**6,150**	**285,353**	**6,005**	**264,373**	**5,808**	**252,721**	**5,127**	**212,319**	**5,066**	**194,828**
Analog	5,747	268,227	5,510	244,424	5,339	234,008	4,680	195,333	4,610	178,868
Digital	403	17,126	495	19,949	469	18,713	447	16,986	456	15,960
Kitchen Wall, Total	**7,017**	**109,555**	**7,004**	**107,129**	**6,959**	**105,177**	**6,295**	**91,737**	**6,284**	**82,322**
Analog	6,888	106,781	6,870	104,287	6,827	102,405	6,169	89,217	6,158	80,054
Digital	129	2,774	134	2,842	132	2,772	126	2,520	126	2,268
Alarm, Total	**17,192**	**157,913**	**16,303**	**150,524**	**15,880**	**145,771**	**14,955**	**134,260**	**14,417**	**119,146**
Analog	11,078	91,273	10,836	88,638	10,520	85,632	10,019	79,964	9,804	71,863
Digital	6,114	66,640	5,467	61,886	5,360	60,139	4,936	54,296	4,613	47,283
Desk/Table/Occasional, Total	**1,047**	**28,789**	**1,015**	**28,353**	**958**	**26,556**	**914**	**24,116**	**897**	**21,198**
Analog	1,020	27,453	986	26,888	928	25,056	887	22,820	870	20,010
Digital	27	1,336	29	1,465	30	1,500	27	1,298	27	1,188

COOKWARE & BAKEWARE

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
Metal Cookware & Bakeware, Total†	**118,257**	**1,859,000**	**106,298**	**1,561,518**	**110,482**	**1,537,911**	**110,229**	**1,448,780**	**106,723**	**1,354,000**
Aluminum	74,881	—	66,384	—	71,381	—	71,452	—	65,552	—
Stainless Steel	30,962	—	25,975	—	25,194	—	24,652	—	26,225	—
Enamel	5,721	—	7,151	—	7,130	—	7,018	—	7,546	—
Cast Iron	4,536	—	4,391	—	4,378	—	4,608	—	4,850	—
Porcelain Enamel on Cast Iron	2,157	—	2,397	—	2,399	—	2,499	—	2,550	—
Microwave Cookware, Total	**21,129**	**192,822**	**19,125**	—	**18,528**	—	**16,889**	—	**15,706**	—
Plastic	8,895	—	7,735	—	7,311	—	6,196	—	5,483	—
Ceramic	4,866	—	4,257	—	4,121	—	3,862	—	3,678	—
Stoneware	2,122	—	2,031	—	2,094	—	2,033	—	2,074	—
Glass	4,390	—	4,262	—	4,174	—	3,990	—	3,694	—
Other	856	—	840	—	828	—	808	—	777	—
Microwave Appliances†	672	9,861	587	8,320	512	7,360	**	**	**	**

HOME SECURITY

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
Home Security, Total	**18,406**	**362,523**	**17,340**	**335,987**	**17,079**	**338,414**	**15,791**	**303,417**	**12,308**	**209,230**
Smoke Detectors	7,526	121,620	7,100	114,168	7,267	116,272	6,270	94,050	6,600	94,200
Fire Extinguishers	4,922	39,819	4,719	34,685	4,710	32,970	4,700	32,900	5,000	35,000
Intrusion Systems	655	41,763	615	38,979	609	38,367	556	35,028	475	42,750
Smoke/Fire/Intrusion Systems	346	44,814	375	48,473	370	47,730	338	43,264	233	37,280
Timers***	4,957	114,507	4,531	99,682	4,123	103,075	3,927	98,175	**	**

OUTDOOR PRODUCTS

PRODUCTS	1983		1982		1981		1980		1979	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
Barbecue Grills, Total	**13,280**	**369,250††**	**12,638**	**348,832††**	**12,180**	**314,830††**	**11,572**	**282,060††**	**11,098**	**252,829††**
Gas	1,965	225,425††	1,687	207,872††	1,477	180,194††	1,420	161,880††	1,327	139,335††
Electric	144	6,422††	125	5,310††	127	5,080††	132	4,950††	136	5,100††
Charcoal†	11,171	137,403††	10,826	135,650††	10,576	129,556††	10,020	115,230††	9,635	108,394††
Electronic Bug Killers	1,200	57,000	1,075	53,750	935	56,071	710	46,187	**	**

**Category not reported
***Excludes remote light/appliance controllers

†See Highlights charts for further breakdown
††Factory dollars

(See 'How we did it,' page 15, for credits)

HOUSEWARES HIGHLIGHTS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

STEAM & STEAM/SPRAY IRON SHIPMENTS

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Full-Feature Lightweight	5,049	$155,964	4,590	$138,985
Standard	5,750	193,660	5,626	185,771
Total	10,799	349,624	10,216	324,756

AIR PURIFIER SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Filtration	4,718	5,100	– 7.5%
Ionization	650	550	+18.2
Total	5,368	5,650	– 5.0%

FAN SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Ceiling Fans	6,117	5,067	+21.9%
Window	5,297	5,770	– 8.2
Kitchen/Bathroom Built-in Exhaust	3,343	2,827	+18.3
Range/Oven hood	2,406	2,278	+ 5.6
Desk/Bracket/Pedestal	2,903	2,843	+ 2.1
Hassock/Roll-about	937	966	– 3.0
Total	21,003	19,751	+ 6.3%

LIGHTWEIGHT VACUUM SHIPMENTS

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Sticks	1,012	$42,706	950	$36,461
Hand-Held	437	13,110	251	8,434
Total	1,449	55,816	1,201	44,895

HAIR SETTER SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Dry	1,698	1,599	+6.2%
Mist	1,297	1,244	+4.3
Total	2,995	2,843	+5.3%

CURLING IRON SHIPMENTS

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Dry	4,288	$34,390	4,084	$33,407
Mist	1,865	18,519	1,900	19,456
Total	6,153	52,909	5,984	52,863

BATHROOM SCALE SHIPMENTS BY TYPE

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Electronic Digital	1,501	$78,412	1,190	$52,550
Regular	5,492	81,721	4,988	69,832
Total	6,993	160,133	6,178	122,382

METAL COOKWARE SHIPMENTS

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
With Non-Stick Surface	53,570	47,191	+13.9%
Without Non-Stick Surface	64,687	59,107	+ 9.4
Total	118,257	106,298	+11.3%

CHARCOAL GRILL SHIPMENTS BY TYPE

Type	1983 Units (000)	1982 Units (000)	Percent Change 1983/1982
Picnic Grills	4,329	4,117	+ 5.1%
Smokers	3,156	3,079	+ 2.5
Hibachis	2,523	2,405	+ 4.9
Braziers	995	1,032	– 3.6
Wagons	164	188	–12.8
Fireplace	4	5	–20.0
Total	11,171	10,826	+ 2.3%

MICROWAVE APPLIANCE SHIPMENTS BY TYPE

	1983		1982	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Corn Poppers	589	$7,174	518	$6,247
Coffee Makers	16	375	14	316
Pizza Crispers	29	777	29	734
Steamers	38	1,535	26	1,023
Total	672	9,861	587	8,320

It was a rebound year for housewares as most categories bounced back to life

Helped by the rebounding economy, housewares enjoyed a robust 1983 after a lackluster performance the previous year. Shipments of all product categories were better than in 1982, with the sole exception of air treatment, hurt by the confusion in the air purifier market.

Perhaps the most spectacular change occurred in kitchen electrics. Most of the 28 products tracked by *Merchandising* experienced increased factory shipments. The exceptions were bag sealers and convection ovens, which have been sagging for years.

And 13 of the products rose in '83, after slumping in '82, making it a comeback year. The big winners were coffee products, woks, toasters and irons.

An important success story in 1983 was the hand-held vacuum, whose shipments zoomed upward. Indeed, the success of one of these devices, Black & Decker's Dustbuster, contributed to the year's biggest news in the industry—B&D's takeover of the General Electric housewares operation.

In personal care, shipments of everything were up. Hair dryers, which had been predicted to be down for the year, shot forward in 1983, pistol units especially. And the relatively new home healthcare category, still in the process of making its mark, fared well.

Kitchen electrics shine

Not only did shipments of kitchen electrics soar in '83, but 13 different items were able to rebound from a difficult 1982. It was the year of the comeback for such electrics as blenders, broilers, can openers, food slicers, mixers, among others.

As economic times get better, food-related items, including preparation

(continued on page 32)

HOUSEWARES HIGHLIGHTS

62ND ANNUAL STATISTICAL AND MARKETING REPORT

CLOCKS BY POWER SOURCE—SHIPMENTS AND RETAIL VALUE

Type	(in thousands)	Total 1983	Total 1982	Electric 1983	Electric 1982	Battery, Quartz 1983	Battery, Quartz 1982	Battery, Non-Quartz 1983	Battery, Non-Quartz 1982	Key-Wind 1983	Key-Wind 1982
Decorative Wall	Units	6,150	6,005	1,139	1,426	4,442	3,859	295	454	274	266
	Dollars	285,353	264,373	24,158	29,666	243,022	209,451	13,803	21,035	4,370	4,221
Kitchen Wall	Units	7,017	7,004	2,293	2,793	4,526	3,956	198	255	—	—
	Dollars	109,555	107,129	30,520	37,940	76,354	65,755	2,681	3,434	—	—
Alarm	Units	17,192	16,303	6,675	6,381	7,554	6,867	—	—	2,963	3,055
	Dollars	157,913	150,524	50,730	49,982	74,709	67,219	—	—	32,474	33,323
Desk/Table/Occasional	Units	1,047	1,015	130	150	645	570	57	83	215	212
	Dollars	28,789	28,353	2,010	2,441	18,492	16,676	1,373	2,060	6,914	7,176
Total	Units	31,406	30,327	10,237	10,750	17,167	15,252	550	792	3,452	3,533
	Dollars	581,610	550,379	107,418	120,029	412,577	359,101	17,857	26,529	43,758	44,720

ELECTRIC TALKING ALARM CLOCK SHIPMENTS

Type	1983 Units (000)	1983 Retail Value ($000)	1982 Units (000)	1982 Retail Value ($000)
Electric Talking Alarm Clocks	144,000	$4,374,720	165,000	$6,402,000

(continued from page 31)

devices, were among the first to be purchased.

Retailers from around the country have described 1983 as a very strong year for basics. Reflecting those sentiments, shipments of irons and toasters rose after dropping in 1982. Consumers had finally decided to replace their old broken-down irons, toasters and other basics with fresh models.

Very popular among kitchen electrics in 1983 were coffee products—makers, grinders and espresso/cappuccino machines. Retailers have been telling *Merchandising* again and again how successful these items are, indicating that the industry has more than a fad on its hands. Christmas sales were said to be particularly brisk.

Why the big interest in coffee merchandise? During the recession, consumers learned how to treat themselves well at home, goes one theory. Part of that was discovering what it takes to make a really good cup of coffee. In addition, the coffee maker is an everyday workhorse, one that can be used to entertain as well.

Personal care prospers

The economy was also kind to personal care items. Four of the 15 products tracked rebounded from a poor 1982 with improved shipments last year; these were curling irons and brushes, heating pads and oral hygiene devices. Personal care is apparently another category which immediately benefits once people have more money in their pockets.

Defying the experts who predicted it would slump in '83, hair dryer shipments went up instead, most notably pistol-type dryers.

The new kid on the block—home healthcare—continued to make inroads in 1983, showing increases in all areas. But the category is far from reaching its potential. And it's interesting to note that digital bathroom scales shipments are growing, but not at the expense of regular scales. The higher price of the digital models will make this a two-tier area for the immediate future.

Hand vacs astound

The big story in floor care, which improved as a whole last year, was the amazing success of the hand-held vacuum. Shipments of these products nearly doubled 1982 figures.

The success of one of these hand-held vacs, Black & Decker's Dustbuster, had what proved to be far-reaching ramifications. According to Black & Decker officials, the decision to buy the General Electric housewares division was supported considerably by the tool company's ability to penetrate the housewares market with the Dustbuster; they called the product one of the most successful in the firm's history.

Analogs hold firm

Predictions that digital would be *the* look of kitchen and desk/table/occasional clocks turned out to be wrong. Shipments of digital units were down in those areas, while shipments of analogs were up. Analog decorative wall clock shipments rose as well.

Battery-powered quartz continues to dominate as the preferred movement for all types of clocks. Electricity is on the way out for all but alarm clocks, while keywind and non-quartz battery clocks are holding on for dear life. The convenience and money-saving quality of quartz is simply too much to resist.

Cookware makes comeback

Another success story in '83 was the rebirth of cookware and bakeware, shipments of which had staggered the previous year. Shipments of cookware with non-stick and without non-stick surfaces both increased. Here again is evidence that discretionary income is likely to be spent on basic food-related items.

Agreeing with what retailers were saying last year, shipments of stainless steel really took off, and aluminum cookware also did well.

Home security is strong

The growing problem with crime has led Americans to stress home security to a greater degree than ever. Shipments of all security products were up last year, except for smoke/fire/intrusion systems.

Interestingly, the smoke detector rebounded after dropping off in '82. The increase in government regulations and greater consumer awareness is boosting this category; many consumers are buying smoke detectors for each level of their homes.

Outdoor products continued to do well in '83, after surviving the recessionary period. This has become something of a blue chip category, as consumers keep heading to their backyards to make use of gas, electric and charcoal grills.

Air treatment slips

Last year's one disappointment was air treatment where shipments of air purifiers slumped. Fed up with low-end models that they don't think work well, consumers have been trading up in this category, causing shipments of such expensive units as ionization devices to increase.

Portable heaters also lapsed in '83 after predictions that it would fare well. The exception was the oil-filled heater, which seems to be taking the place of the kerosene heater, which dropped off dramatically last year after questions were raised about its safety. A mild winter in 1983 also hurt this category.

The one bright spot in air treatment was fans, which improved as a whole last year. Ceiling fans did especially well, appealing to consumers who use them as year-round, energy-saving devices.

—Michael Garry
assistant editor/housewares

EXPORTS

MAJOR APPLIANCES

Product**	1983*	1982	1981	1980
Dishwashers	63 $15,822	52 $13,146	78 $17,053	125 $25,355
Dryers	50 $12,346	48 $12,226	56 $13,992	49 $10,920
Freezers	28 $13,130	30 $15,558	49 $26,373	54 $21,621
Microwave Ovens	82 $19,765	69 $19,328	123 $33,757	97 $27,046
Ranges, Electric	53 $15,839	81 $27,901	93 $27,885	109 $29,182
Refrigerators	194 $103,972	247 $129,154	329 $172,453	342 $163,935
Room Air Conditioners	195 $70,016	389 $144,729	569 $217,170	604 $207,042
Washers, Automatic	119 $35,802	129 $39,038	142 $40,878	119 $32,008
Washers, Other	32 $7,882	21 $5,701	37 $9,490	72 $16,676

HOUSEWARES

Product**	1983*	1982	1981	1980
Can Openers & Knife Sharpeners	150 $ 1,860	225 $2,615	195 $2,345	169 $1,886
Clocks, Electric	480 $5,651	857 $10,323	902 $11,707	604 $9,709
Coffee Makers	904 $13,711	1,010 $16,204	1,264 $18,158	1,331 $17,962
Fans	82 $3,528	342 $23,946	215 $8,679	297 $8,143
Irons	541 $5,464	1,019 $11,207	1,888 $21,448	1,458 $15,363
Juicers, Mixers & Blenders	490 $13,174	889 $25,082	1,343 $31,561	1,430 $34,783
Shavers, Electric	389 $3,905	519 $5,761	316 $2,980	192 $2,335
Toasters	994 $16,021	991 $17,047	1,252 $19,113	1,151 $16,398
Vacuum Cleaners	304 $32,304	327 $32,338	558 $47,968	725 $53,846

HOME ELECTRONICS

Product**	1983*	1982	1981	1980
Radios	955 $79,451	1,171 $83,240	1,335 $91,623	1,104 $68,034
TV, B&W	44 $5,901	138 $16,634	260 $29,730	169 $20,840
TV, Color	219 $78,442	382 $139,334	646 $236,295	788 $276,982
TV Chassis & Kits	3,220 $98,545	1,841 $64,610	3,280 $123,786	2,458 $138,201
TV, Total	3,483 $182,888	2,361 $220,578	4,186 $389,811	3,415 $436,023
Tape Recorders & Players	26 $10,477	109 $18,188	150 $18,441	156 $23,280

*Projection based on 10 months

**All figures in thousands, number of units exported. Manufacturers' value plus freight and insurance.

SOURCE: U.S. Dept. of Commerce
Bureau of the Census

Most exports continue to plummet, with only cleanup appliances showing improvement

While there were some exceptions, 1983 was not the best of years for U.S. hardgoods exports. The recession, which ended at home, is still raging in much of the world, including many countries that traditionally have provided major markets for U.S.-made products. Until the worldwide economic picture improves, exports will remain sluggish.

Of all the categories, major appliances performed best last year. And within that area, cleanup appliances were the star performers. Exports of dishwashers, washers and dryers actually rose in 1983, with all three products rebounding from drops in unit shipments the previous year.

Microwave oven exports also recovered in 1983, although the product did not achieve the levels of earlier years. In addition, price erosion has hit that market severely. While unit shipments were up substantially, their dollar value rose only modestly.

But there ends the good news, at least in major appliances. Freezers, electric ranges, refrigerators and room air conditioners all fared poorly. And all but washers continued a decline that goes back at least as far as 1981.

It's important to note that this is happening at a time when U.S. imports of major appliances are on the increase *(see related story on page 34)*. This could be one trend that bears watching closely.

Housewares shipments slide

Unfortunately, neither housewares nor home electronics did as well as major appliances last year.

In housewares, only toasters showed an increase in exports, and that was but a slight jump, nowhere near enough to take the product back to the levels it enjoyed prior to 1982.

Absolutely everything else was down. Hardest hit was the fan category, which plummeted to less than a third of its exports for the previous year.

Can openers and knife sharpeners and electric shavers, which, along with fans, were the only products to show increases in 1982, slid back into decline last year.

Electric clocks also fared very poorly for the third year in a row. Coffee makers continued a descent that goes back at least to 1980 (again at a time when imports are increasing dramatically). Iron exports were less than half what they were in 1982. And juicers, mixers and blenders did almost as badly.

In the floor care department, vacuum cleaner exports dropped for at least the fourth year in a row. And, it must be noted, this is one more area where the importers are keeping themselves busier than ever.

Electronic exports slump too

Things are not better on the home electronics front.

There, the only area to show any growth was TV chassis and kits, and it was only recovering from a particularly bad 1982.

Color TV exports continued to slip, a trend that goes back to at least 1980. Black and white TV exports fell to less than a third of their 1982 level.

Radio exports continued to drop, another trend that goes back three years or more.

Finally, tape recorder and player exports sank to less than a quarter of what they were the previous year. From 156,000 units in 1980, the category has dropped to just 26,000 units exported in 1983.

It comes, of course, as no surprise that the U.S. is exporting few goods in either major appliances, housewares or home electronics. Nevertheless, to see the figures laid out in black and white still has the power to disconcert.

These are some of the smallest numbers in the *Merchandising* tables. And they're getting smaller every year.

IMPORTS

MAJOR APPLIANCES

Product**	1983*	1982	1981	1980
Freezers	76 $15,317	88 $14,626	38 $6,338	43 $6,652
Microwave Ovens	2,076 $317,140	1,108 $197,571	1,082 $212,572	835 $160,091
Refrigerator/ Freezer Combination (Under 6.5 Cu. Ft.)	462 $30,716	430 $29,443	324 $25,790	426 $24,780
Refrigerator/ Freezer Combination (6.5 to 9.5 Cu. Ft.)	81 $6,688	62 $4,961	152 $8,173	102 $5,634
Refrigerator/ Freezer Combination (9.5 to 13.5 Cu. Ft.)	189 $22,962	114 $15,625	81 $10,962	96 $11,796
Refrigerator/ Freezer Combination (13.5 Cu. Ft. & Over)	11 $4,238	2 $696	4 $943	2 $1,140
Total Refrigerator/Freezer Combination	743 $64,604	608 $50,725	561 $45,868	626 $43,350

HOUSEWARES

Product**	1983*	1982	1981	1980
Can Openers & Combinations	1,185 $6,785	1,300 $8,449	1,089 $6,704	823 $4,539
Coffee Makers	1,071 $16,928	418 $7,707	382 $5,734	378 $6,711
Food Blenders	525 $5,792	304 $4,218	9 $141	38 $785
Hair Dryers	15,728 $84,990	3,320 $19,751	15,033 $88,142	15,785 $90,703
Irons	6,619 $63,720	4,231 $43,240	2,555 $25,141	1,533 $12,569
Juice Extractors	360 $4,651	322 $3,862	248 $3,183	181 $2,924
Shavers, Electric	4,029 $58,883	4,010 $59,460	3,503 $46,212	3,216 $53,023
Toasters	187 $1,921	204 $1,796	122 $826	185 $562
Vacuum Cleaners	901 $24,845	491 $15,259	452 $13,277	336 $7,762

CALCULATORS

Product**	1983*	1982	1981	1980
Display Only	2,002 $17,437	1,965 $18,891	2,085 $22,550	1,957 $24,914
Hand-Held or Pocket Type	29,611 $120,345	21,332 $117,760	22,333 $139,124	23,424 $166,876
Other For X and ÷	1,387 $10,055	844 $6,664	624 $7,462	507 $9,926
All Other	6,664 $135,467	4,829 $135,230	5,190 $155,208	5,035 $177,532
Total	39,664 $283,304	28,970 $278,545	30,232 $324,344	30,923 $379,248

*Projection based on 10 months
**All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.

Major appliance imports show gains as do selected electronic and housewares products

Probably the most interesting part of the import tables for 1983 is the major appliance section. While the numbers (with the exception of microwave ovens) are far from huge, it is becoming more apparent that foreign manufacturers of refrigeration products are beginning to take a more serious look at the U.S. market.

Compact refrigerators continue to make up the largest part of the market, but the fastest growth is being felt in the 9.5-cu.-ft. and over sizes with numbers getting particularly large in the 9.5- to 13.5-cu.-ft. category.

In fact, in the refrigeration area, only freezers show a decline.

Perhaps the foreign manufacturers are targeting the refrigeration market following the success in microwave ovens. Just look at those figures. Imports almost doubled for 1983 after hitting a plateau in 1982. And if early 1984 sales are any indication, this number should continue to soar through the rest of the year.

Video also shines

Video is another stellar category, as far as the import figures are concerned. And since so many of these products are made abroad, the tables give us a much more accurate picture of the market at large.

Take VCR's, for instance. Imports here increased by almost two million.

Color TV's, in certain sizes, also did quite well. King in the numbers category is the 11- to 17-in. size, which almost doubled in units imported. And although it's not generating as many units, the 18-in. and over size showed an even greater increase. Only small color sets, 10 in. and under, slipped, as did all black and white units with the exception of the 18-in. and over size.

Audio import figures present a mixed bag of ups and downs. On the home front, stereo gear is, for the most part, doing better than it has in years. Among these products, turntables of all types (forget about automatic record changers) are up, although loudspeaker imports continued to fall for the third year in a row.

Also showing a gain was the overall tape recorder/player category. But here again, the numbers are not consistent. Imports increased for stereo cassette decks, stereo open reel units, mono tape recorders (now used with some computers), the ubiquitous radio-tape player combo and "other" tape players. At the same time, however, shipments decreased for battery-operated cassette recorders, radio-tape combos that record and (no shock here) mono and battery-run open reel models.

For the car, auto tape player imports soared last year, albeit at the expense of basic car radios, which continued to show a decline.

Another category doing well is calculators. The total area is up, as is every single subclassification.

Housewares show increases

The number of housewares products being brought into the country showed an increase in 1983. Hair dryers were, by far, the most popular products to be imported, bouncing back to pre-recession figures in an amazing recovery from last year's plunge.

Another big surge was experienced by coffee makers, which more than doubled their imports after several years of making only modest gains. Food blenders continued to boom for the second year running.

Vacuum cleaners, another product targeted by vendors from abroad, also boomed in '83. Shipments almost doubled.

IMPORTS

AUDIO

Product**	1983*	1982	1981	1980
Antennas, CB	789 $3,766	754 $3,040	1,057 $4,358	1,004 $4,005
Antennas, Radio	10,346 $35,110	9,399 $29,224	9,294 $30,577	8,349 $21,454
Loudspeakers	62,329 $216,094	69,335 $231,608	83,214 $264,358	74,705 $225,597
Microphones	5,316 $19,955	5,651 $21,552	5,602 $24,670	6,093 $21,432
Audio Frequency Electric Amplifiers	4,698 $143,267	5,562 $145,387	4,869 $148,477	4,427 $108,496
Headphone/Electric Sound Amplifier Sets	15,690 $65,205	13,023 $44,324	8,318 $47,625	6,089 $32,038
Auto Transistor Radios	1,718 $93,111	1,834 $98,145	2,027 $97,518	2,245 $80,337
Clock Transistor Radios	10,889 $146,722	8,433 $115,004	9,762 $108,711	9,445 $101,357
AM Trans. Radios (Not Battery Operated)	567 $11,672	606 $21,931	756 $26,517	609 $21,224
AM Trans. Radios (Battery Operated)	4,360 $13,859	4,847 $16,229	6,153 $20,169	5,570 $18,263
FM AM/FM Multiband Transistor Radios (Not Battery Operated)	2,413 $167,028	2,150 $167,914	2,348 $205,998	2,099 $176,416
FM AM/FM Multiband Transistor Radios (Battery Operated)	18,653 $195,371	17,708 $222,143	14,474 $188,038	12,150 $169,045
Radios, Total	38,600 $627,763	35,578 $641,366	35,520 $646,951	32,118 $566,642
Radio/Phono Combos (Including Consoles)	39 $1,993	42 $1,363	67 $2,182	102 $2,767
Radio/Phono/Tape Player Combos (Tape Player Trimode)	363 $23,934	303 $25,857	200 $11,051	316 $12,806
Automatic Record Changer	424 $5,147	1,212 $19,123	2,856 $51,975	3,631 $66,197

AUDIO (continued)

Product**	1983*	1982	1981	1980
Stereo Phonos	117 $9,296	96 $8,503	71 $5,642	34 $3,697
Automatic Turntables	689 $38,491	672 $43,017	658 $43,812	342 $24,413
Turntables Other	1,787 $89,053	1,554 $72,967	1,802 $94,626	1,369 $83,057
Transceivers/CB	787 $28,136	1,359 $50,877	1,362 $52,576	856 $33,663
Tape Players Auto	3,117 $73,164	2,561 $66,746	2,575 $77,190	1,736 $43,949
Tape Players Other	4,324 $85,628	3,741 $118,085	2,058 $83,395	906 $31,056
Tape Recorders, Stereo (Cassette/Cartridge)	2,665 $192,430	2,313 $184,250	2,856 $242,199	2,198 $182,864
Tape Recorders, Stereo (Open Reel)	68 $10,173	64 $17,194	115 $22,405	86 $20,935
Tape Recorders, Mono (Cassette/Cartridge)	1,881 $64,951	931 $52,647	297 $17,645	397 $22,049
Tape Recorders, Mono (Open Reel)	18 $6,782	31 $10,114	27 $6,949	17 $5,759
Tape Recorders, Battery (Cassette/Cartridge)	4,604 $118,719	6,323 $154,662	7,906 $194,759	7,449 $178,309
Tape Recorders, Battery (Open Reel)	51 $14,938	169 $13,733	62 $16,765	129 $15,531
Radio-Tape Recorder Combos	10,456 $494,088	10,491 $535,425	11,212 $596,646	9,254 $419,632
Radio-Tape Player Combos	12,998 $616,685	10,375 $525,852	10,326 $561,105	9,055 $422,560
Total Tape Recorders/Players	40,182 $1,677,558	36,999 $1,678,708	37,434 $1,825,058	31,227 $1,342,644

VIDEO

Product**	1983*	1982	1981	1980
Antennas, TV	10,698 $10,879	13,816 $15,678	19,604 $21,259	17,318 $18,087
B&W TV (10 inch & under)	602 $43,645	752 $54,357	778 $59,806	647 $44,335
B&W TV (11-17 inches)	3,548 $164,097	3,843 $206,054	4,332 $239,250	4,420 $242,741
B&W TV (18 inches & over)	188 $20,198	142 $15,435	345 $34,786	476 $43,976
Color TV (10-inch & under)	364 $58,307	371 $66,714	398 $74,052	195 $36,691
Color TV (11-17 inches)	2,015 $305,390	1,031 $202,875	840 $174,006	606 $124,831

*Projection based on 10 months

**All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.

VIDEO (continued)

Product**	1983*	1982	1981	1980
Color TV (18 inches & over)	1,778 $316,524	746 $214,122	619 $174,733	474 $134,073
TV, Total	8,495 $908,161	6,885 $759,557	7,312 $756,633	6,818 $626,647
Videotape Recorders	4,293 $1,416,761	2,469 $1,047,910	2,013 $1,018,770	939 $498,333
Home Video Camera, B&W	74 $21,935	84 $17,255	72 $15,468	51 $13,747
Home Video Camera, Color	362 $206,204	403 $229,232	362 $210,379	171 $102,381
Picture Tubes, B&W	318 $7,888	889 $13,175	697 $15,342	748 $10,535
Picture Tubes, Color	618 $35,847	627 $38,602	984 $52,933	590 $33,267

REGIONS	RESIDENTIAL CUSTOMERS 3RD QTR. 1983 (1)		FARM RESIDENTIAL CUSTOMERS (2)		AUTHORIZED HOUSING PERMITS (3) (Projected From 9 Mos.)		PROJECTED PERSONAL INCOME 1983 (4) (IN MILLIONS OF DOLLARS)	
	NUMBER	PERCENT CHANGE 3RD QTR. (1983/1982)	NUMBER	PERCENT CHANGE (1983/1982)	NUMBER	PERCENT CHANGE (1983/1982)	AMOUNT	PERCENT CHANGE (1983/1982)
NEW ENGLAND:								
TOTAL	**4,641,167**	**+ 1.5%**	**29,040**	**+ 1.6%**	**61,855**	**+ 61.2%**	**$156,581**	**+ 6.6%**
CONNECTICUT	1,158,938	+ 1.2	4,450	+ 4.7	17,344	+ 67.9	45,646	+ 7.2
MAINE	483,482	+ 2.4	8,000	+ 2.6	3,999	+ 26.1	11,022	+ 6.2
MASSACHUSETTS	2,049,173	+ 1.2	5,250	+ 0.0	23,436	+ 51.5	72,745	+ 6.1
NEW HAMPSHIRE	384,403	+ 3.0	3,150	+ 0.0	8,881	+ 97.0	11,008	+ 7.5
RHODE ISLAND	344,182	+ 0.7	790	+ 6.8	4,462	+ 66.3	11,026	+ 6.6
VERMONT	220,989	+ 2.8	7,400	+ 0.0	3,733	+ 68.9	5,134	+ 6.3
MIDDLE ATLANTIC:								
TOTAL	**12,670,200**	**+ 0.6**	**117,300**	**− 0.8**	**118,256**	**+ 71.5**	**464,520**	**+ 5.7**
NEW JERSEY	2,587,739	+ 1.1	9,400	+ 0.0	38,517	+ 80.6	103,990	+ 8.0
NEW YORK	5,818,667	+ 0.7	49,500	+ 0.0	39,829	+ 57.0	228,934	+ 5.8
PENNSYLVANIA	4,263,794	+ 0.2	58,400	− 1.7	39,910	+ 79.2	131,596	+ 3.8
EAST NORTH CENTRAL:								
TOTAL	**15,250,992**	**+ 0.1**	**430,700**	**− 1.8**	**123,217**	**+ 64.3**	**480,262**	**+ 4.8**
ILLINOIS	4,113,303	+ 0.0	100,000	− 2.8	34,525	+ 81.9	141,168	+ 4.2
INDIANA	2,024,565	+ 0.0	86,150	− 2.2	17,283	+ 35.2	57,719	+ 4.3
MICHIGAN	3,360,332	+ 0.0	64,350	+ 0.0	24,983	+ 75.0	108,434	+ 5.7
OHIO	3,917,880	+ 0.0	91,100	− 1.0	26,973	+ 62.1	120,555	+ 4.7
WISCONSIN	1,834,912	+ 0.4	89,100	− 2.2	19,453	+ 58.0	52,386	+ 5.0
WEST NORTH CENTRAL:								
TOTAL	**6,637,129**	**+ 0.5**	**541,150**	**− 0.7**	**86,437**	**+ 64.9**	**194,243**	**+ 3.1**
IOWA	1,111,614	+ 0.1	113,850	− 1.7	7,458	+ 37.7	32,126	+ 1.5
KANSAS	935,643	+ 0.4	74,200	− 1.3	13,900	+ 61.1	28,029	+ 1.7
MINNESOTA	1,552,403	+ 0.8	101,950	+ 0.0	30,157	+ 59.1	49,011	+ 3.8
MISSOURI	1,903,866	+ 0.6	115,850	+ 0.0	20,283	+ 75.7	53,489	+ 4.8
NEBRASKA	614,030	+ 0.1	62,350	+ 0.0	5,665	+ 47.1	17,524	+ 1.5
NORTH DAKOTA	252,159	+ 0.9	36,950	− 1.3	6,920	+ 146.7	7,535	+ 3.5
SOUTH DAKOTA	267,412	+ 0.1	36,000	− 1.4	2,054	+ 68.4	6,529	+ 1.1
SOUTH ATLANTIC:								
TOTAL	**14,610,957**	**+ 2.2**	**309,200**	**− 2.9**	**458,382**	**+ 82.5**	**420,194**	**+ 8.4**
DELAWARE	228,693	+ 1.5	3,350	+ 0.0	3,603	+ 21.4	7,573	+ 10.5
DISTRICT OF COLUMBIA	176,609	+ 0.3	—	—	177	− 59.0	9,597	+ 5.5
FLORIDA	4,516,335	+ 2.3	40,600	+ 0.0	191,639	+ 84.6	120,165	+ 8.2
GEORGIA	2,119,808	+ 1.9	54,450	− 5.1	71,933	+ 82.4	58,485	+ 12.1
MARYLAND	1,433,223	+ 2.1	17,800	+ 0.0	44,848	+ 112.7	54,257	+ 5.3
NORTH CAROLINA	2,307,663	+ 3.2	64,150	− 3.4	55,821	+ 67.5	58,730	+ 10.3
SOUTH CAROLINA	1,187,589	+ 2.1	30,600	− 6.0	30,551	+ 66.3	29,028	+ 9.4
VIRGINIA	1,921,374	+ 1.9	57,400	− 3.4	58,084	+ 94.0	64,386	+ 7.0
WEST VIRGINIA	719,663	+ 0.7	20,850	+ 3.0	1,726	− 5.4	17,973	+ 4.8
EAST SOUTH CENTRAL:								
TOTAL	**5,429,659**	**+ 0.6**	**299,950**	**− 1.0**	**74,164**	**+ 96.1**	**134,729**	**+ 6.7**
ALABAMA	1,456,844	+ 0.7	53,450	− 5.3	16,094	+ 78.6	35,437	+ 7.0
KENTUCKY	1,327,328	+ 0.5	101,950	+ 2.0	13,475	+ 77.6	34,331	+ 6.2
MISSISSIPPI	904,770	+ 0.9	50,500	− 3.7	10,602	+ 70.8	20,974	+ 7.6
TENNESSEE	1,740,917	+ 0.2	94,050	+ 0.0	33,993	+ 126.5	43,987	+ 6.4
WEST SOUTH CENTRAL:								
TOTAL	**9,356,708**	**+ 3.8**	**341,150**	**− 0.8**	**400,108**	**+ 55.8**	**279,717**	**+ 4.6**
ARKANSAS	902,544	+ 1.9	55,400	− 1.7	11,467	+ 79.6	20,843	+ 7.9
LOUISIANA	1,556,147	+ 1.5	36,150	− 2.6	35,601	+ 75.1	45,767	+ 4.5
OKLAHOMA	1,301,644	+ 2.3	70,200	+ 0.0	55,499	+ 93.1	36,245	+ 5.8
TEXAS	5,596,373	+ 5.2	179,400	− 0.4	297,541	+ 47.8	176,862	+ 4.0
MOUNTAIN:								
TOTAL	**4,566,628**	**+ 2.5**	**115,950**	**− 0.4**	**195,450**	**+ 93.8**	**131,596**	**+ 6.2**
ARIZONA	1,129,277	+ 3.3	6,350	− 1.6	77,987	+ 111.8	31,249	+ 5.6
COLORADO	1,224,207	+ 3.7	24,900	− 2.5	62,198	+ 94.9	38,358	+ 8.5
IDAHO	377,939	+ 1.4	24,150	+ 1.7	4,849	+ 91.2	9,156	+ 4.1
MONTANA	326,340	+ 1.0	23,650	+ 0.0	3,913	+ 90.7	8,231	+ 3.3
NEVADA	336,398	+ 0.2	2,450	− 5.8	15,956	+ 91.8	10,699	+ 4.7
NEW MEXICO	487,207	+ 3.8	12,700	+ 0.4	11,490	+ 33.6	13,702	+ 9.3
UTAH	487,063	+ 1.1	12,650	− 0.8	16,699	+ 117.8	14,349	+ 5.9
WYOMING	198,197	+ 0.1	9,100	+ 1.1	2,358	− 19.7	5,852	− 1.7
PACIFIC:								
TOTAL	**11,967,264**	**+ 0.9**	**155,835**	**− 1.1**	**242,492**	**+ 93.4**	**426,576**	**+ 4.0**
ALASKA	147,997	+ 6.1	435	+ 8.8	17,707	+ 113.6	6,713	+ 4.3
CALIFORNIA	8,801,028	+ 1.2	77,200	− 2.5	176,550	+ 106.0	324,854	+ 3.7
HAWAII	273,373	+ 1.6	3,950	+ 2.6	5,616	− 3.0	12,244	+ 6.7
OREGON	1,058,744	+ 0.9	36,650	+ 2.9	9,843	+ 27.5	29,210	+ 4.3
WASHINGTON	1,686,122	+ 2.6	37,600	− 2.6	32,776	+ 83.2	53,555	+ 4.7
U.S.A. TOTAL:	**85,130,904**	**+ 1.4**	**2,340,275**	**− 1.2**	**1,760,361**	**+ 74.9**	**2,688,418**	**+ 5.5**

SOURCES: (1) Edison Electric Institute
(2) U.S. Dept. of Agriculture
(3) U.S. Dept. of Commerce—Housing Units Authorized by Building Permits and Public Contracts
(4) Based on information from BusinessWeek through Aug. 1983

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Tootsie** *(RCA/Columbia)*	—	1
2. **Risky Business** *(Warner)*	2	3
3. **Raiders of the Lost Ark** *(Paramount)*	1	3
4. **The Making of Michael Jackson's 'Thriller'** *(Vestron)* GP	5	2
5. **National Lampoon's Vacation** *(Vestron)*	6	3
6. **Staying Alive** *(Paramount)*	—	1
7. **Brainstorm** *(MGM/UA)*	—	1
8. **Mr. Mom** *(Vestron)*	—	1
9. **Flashdance** *(Paramount)*	4	6
10. **Blue Thunder** *(RCA/Columbia)* I	3	4
11. **Class** *(Vestron)*	—	1
12. **Superman III** *(Warner)*	7	3
13. **Cujo** *(Warner)*	19	2
14. **Porky's II** *(CBS/Fox)*	—	1
15. **Twilight Zone—The Movie** *(Warner)*	8	3
16. **48 Hours** *(Paramount)*	11	8
17. **Gandhi** *(RCA/Columbia)* I	9	5
18. **Eddie and the Cruisers** *(Embassy)*	—	1
19. **The Care Bears** *(Family Home Entertainment)*	—	1
20. **Jane Fonda's Workout** *(Karl Video)*	—	14
21. **The Man From Snowy River** *(CBS/Fox)*	13	6
22. **The Survivors** *(RCA/Columbia)*	12	3
23. **Dawn of the Dead** *(Thorn EMI)*	15	2
24. **The Grey Fox** *(Media)*	21	2
25. **Billy Joel Live From Long Island** *(CBS/Fox)*	—	1
26. **10 to Midnight** *(MGM)*	23	2
27. **Beyond the Limit** *(Paramount)*	—	1
28. **Exposed** *(MGM)*	—	1
29. **Jaws III** *(MCA)*	22	2
30. **Delirious** *(Paramount)*	18	3

Top 10 in videocassette sales

1. **The Making of Michael Jackson's 'Thriller'** *(Vestron)* GP	2	2
2. **Raiders of the Lost Ark** *(Paramount)*	1	4
3. **Jane Fonda's Workout** *(Karl Video)* GPI	3	20
4. **Flashdance** *(Paramount)*	4	6
5. **Risky Business** *(Warner)*	5	3
6. **Staying Alive** *(Paramount)*	—	1
7. **Tootsie** *(RCA/Columbia)*	—	1
8. **Blue Thunder** *(RCA/Columbia)* I	6	3
9. **Class** *(Vestron)*	—	1
10. **48 Hours** *(Paramount)*	10	8

Top 5 in CED videodisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	3
2. **WarGames** *(CBS/Fox)*	3	3
3. **Tootsie** *(RCA/Columbia)*	—	1
4. **Risky Business** *(Warner)*	4	3
5. **Staying Alive** *(Paramount)*	—	1

Top 5 in laserdisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	3
2. **WarGames** *(CBS/Fox)*	5	3
3. **The Making of Michael Jackson's 'Thriller'** *(Vestron)* GP	—	1
4. **Risky Business** *(Warner)*	4	2
5. **Octopussy** *(CBS/Fox)*	2	2

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

CBS FOX

BILLY JOEL: LIVE FROM LONG ISLAND Superstar Billy Joel translates the energy and excitement of his special New Year's performance onto video. Includes such songs as Piano Man, Allentown and You May Be Right. A special message on video for dealers and distributors from Billy Joel reveals his feelings about music. Other promotional materials are also included. *Color 80 minutes C: $29.98 CED: $19.98 LV: $29.98.*

FAMILY HOME

BEATLEMANIA—THE MOVIE Over 30 of the greatest songs of John Lennon and Paul McCartney performed by four talented musicians shown as Beatle look-a-likes. The movie pictorially and musically reflects the tumultuous events of the '60s. Point-of-purchase aids are available. The tape is under the U.S.A. Home Video label, a division of Family Home Entertainment. *Color VHS Stereo and Beta Hifi C: $39.95.*

KARL

JANE FONDA'S CHALLENGE The third volume in the Jane Fonda fitness library is geared to get people back into shape before bathing suit season commences. Included in the tape are fast-paced warm-up movements, exercises and stretching motions. Athletes and dancers who have mastered the classic Workout tape will find Challenge all that the title suggests. *Color 90 minutes C: $59.95.*

MCA

HANNA K. (1983) Jill Clayburgh stars in this emotion-packed political tale set in Israel. The gripping story of divided passions also stars Gabriel Byrne, Jean Yanne and David Clennon. *Color R 111 minutes C: $59.95.*

MERRY CHRISTMAS MR. LAWRENCE (1983) Legendary rock star David Bowie stars in this World War II drama about clashing cultures and survival. A British army officer is sentenced to a Japanese P.O.W. camp in Java where he engages in a private war of wills with the camp's commander. *Color R 124 minutes Stereo and Beta Hifi C: $59.95.*

RUMBLE FISH (1983) A story of two brothers whose relationship and their world leads to death for one and a new life for another. Starring Matt Dillon and Mickey Rourke, the film features a musical score composed by Stewart Copeland, drummer and founder of The Police. *B/W with color sequences Stereo and Beta Hifi C: $59.95 CED: $29.98 LV: $29.98.*

OTHER

ARIES Mapping out the future of the invincible Ram, this video from Mark XII Video helps give astrology followers personal guidance. Each tape will be released about a month before each Zodiac sign's birthday. *C: $29.95.*

FISHING THE DRY FLY A complete course on the most popular way to catch trout with flies, this tape from 3M is ideal for the novice as well as the expert. It is packed with information and loaded with action. *Color 60 minutes C: $79.95.*

GOLF MY WAY Jack Nicklaus, golf champion, provides step-by-step instructions for every vital element of this game. The tape, from World Vision Home Video, is designed for beginners as well as seasoned players. *Color 128 minutes C: $85.*

IRA This video program explains why an IRA investment is wise at any age. It is believed to be the first tax-deductible videocassette in existence. The tape has been released by Independent United Distributors. *C: $19.95.*

THE VIDEO SAT REVIEW An interactive presentation that is designed to boost SAT verbal and math scores, this tape comes with three study booklets, a sample exam and the do's and don't's for the parents of students planning to take the test. The tape, from Dial Productions, also helps reduce test anxiety. *120 minutes C: $125.*

PARAMOUNT

STAYING ALIVE (1983) Pulsating with musical excitement, Tony Manero (played by John Travolta) struts towards his biggest chance ever—making it at last as a top rate dancer on a Broadway stage. *Color C: $39.95.*

TRADING PLACES (1983) The hilarious Eddie Murphy portrays a street hustler who gets a chance to see the better side of life. Dan Aykroyd also stars as the wealthy, fastidious Louis Winthrope III, an executive in one of Philadelphia's leading investment firms. *Color C: $39.95 CED: $19.95 LV: $29.95.*

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A GRALLA PUBLICATION

APRIL 1984

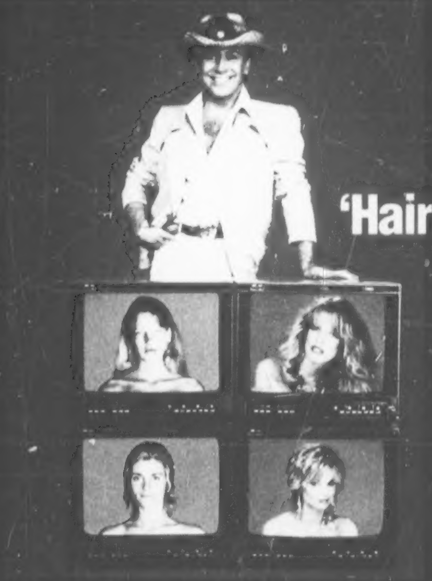
Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

HOME HEALTH & PERSONAL CARE

...tracking a growing category



Savvy retailers market blood pressure monitors to the health conscious

'Hairstylist to the Stars' tells which appliances best suit your customers

Foley's pharmacist/buyer creates a home healthcare headquarters

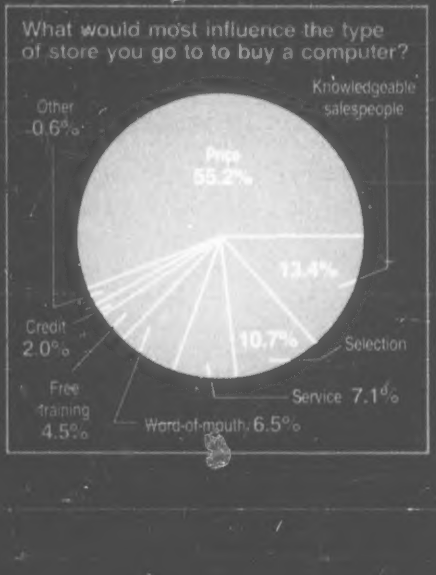
Retailers seek innovation in personal care offerings

Dual surveys predict mass merchandisers' success with computers...

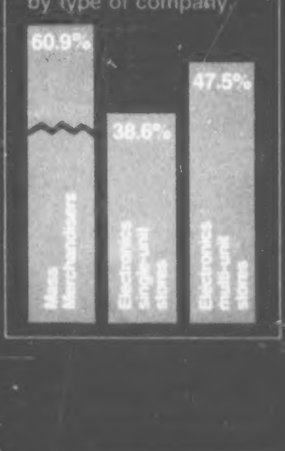
If you already own a low-priced computer, do you plan to purchase another computer in the next 12 months?

YES
21%

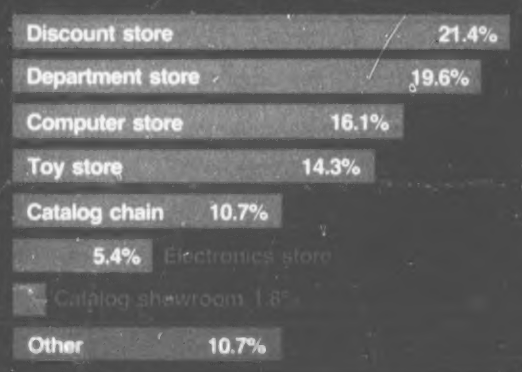
What would most influence the type of store you go to to buy a computer?



Percent of retail respondents carrying or planning to carry computer merchandise, by type of company



Where did you buy your low-priced computer?



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April 1984
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Vol. 9, No. 4

Merchandising
&
CARE
...tracking a growing category

Cover Stories

Home Health/Personal Care—tracking a growing category

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Merchandising COMPUTERS

Mass merchandisers to get more computer pie

By Michele Tomasik, sr. assoc. ed.

NEW YORK—It's starting to look like the mass merchandisers are going to be capturing more and more of the computer business in the months ahead.

Consumers, starting to feel more comfortable with the product, are indicating that they don't require quite so much in the way of support as they have in the past. In fact, it looks like price has become the prime consideration, whether they expect to use the computer for games, home management or even business.

Furthermore, there's a growing body of second-time buyers out there, people who already have cut their teeth on a Timex or another low-priced unit and are ready for something more powerful. These people certainly feel that they have learned the basics (if not the BASIC) and are ready to make an informed selection pretty much on their own.

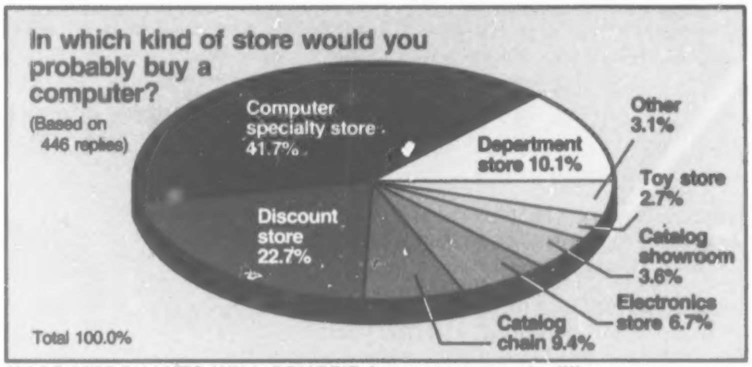
These were among the findings of a consumer survey done by *Merchandising* this past January in four major cities—New York, Cincinnati, Minneapolis and Los Angeles.

Although the figures are not projectable to the country as a whole, the survey found that 28.2 percent of the 535 individuals interviewed in malls and other shopping centers already have a computer at home. An additional 32.4 percent said they plan to buy a computer before the year ends (and this includes 17.6 percent of all the computer owners, who plan to buy another).

All in all, a whopping 80.7 percent said that they fully expect to own a computer sometime in their lifetime.

Market is changing

Price stood out as the single greatest influence on where people decide to buy a computer, with 48.5 percent of the owners mentioning it as the deciding factor when they made their final purchase. Selection, sales help, service and training were far down the list.



MASS MERCHANTS WILL BENEFIT from consumers' willingness to buy a computer from stores other than computer specialists.

This would indicate that more computers, even high-end models, such as those made by Apple, IBM, Epson and Kaypro, would be bought from locations other than computer specialty stores—if only they were more widely available at such outlets.

There were other indications that computer specialty stores may be loosening their stranglehold on the market. While 58.2 percent of all the shoppers interviewed reported they would visit a specialty store while shopping for a computer, a smaller 41.7 percent said they would actually buy one there.

On the other hand, 22.7 percent of the shoppers said that they would buy their computer from a discount store

(Continued on page 43)

Cuts home computer inventories

Hess's shifts emphasis to high-end goods

By Michele Tomasik, sr. assoc. ed.

ALLENTOWN, PA—Hess's is retrenching.

The department store chain has drastically cut back the hardware, software and peripheral selections in its home computer departments. At the same time, it is launching a series of leased departments that will merchandise high-end personal computers to a more sophisticated audience.

As it now stands, the home computer department is featuring only Commodore 64's and compatible peripherals, offered mainly in bundled packages. The only software is 64-compatible—and then, only the hits are stocked. Titles for machines once carried by Hess's can be special ordered.

Meanwhile, the high-end departments emphasize Apple and also sell hardware by Digital, Kaypro and Columbia.

It's a new approach to merchandising a challenging category that Hess's has been involved with for

(Continued on page 50)

COMPUTER INFORMATION C

SALES ROSE 34% ABOVE PROJECTIONS at Hess's first Professional Computer Center in its first six months of operation. The department store chain has opened three more professional centers since the first made its debut in September.

Low-end computer shakeout could spell more profits

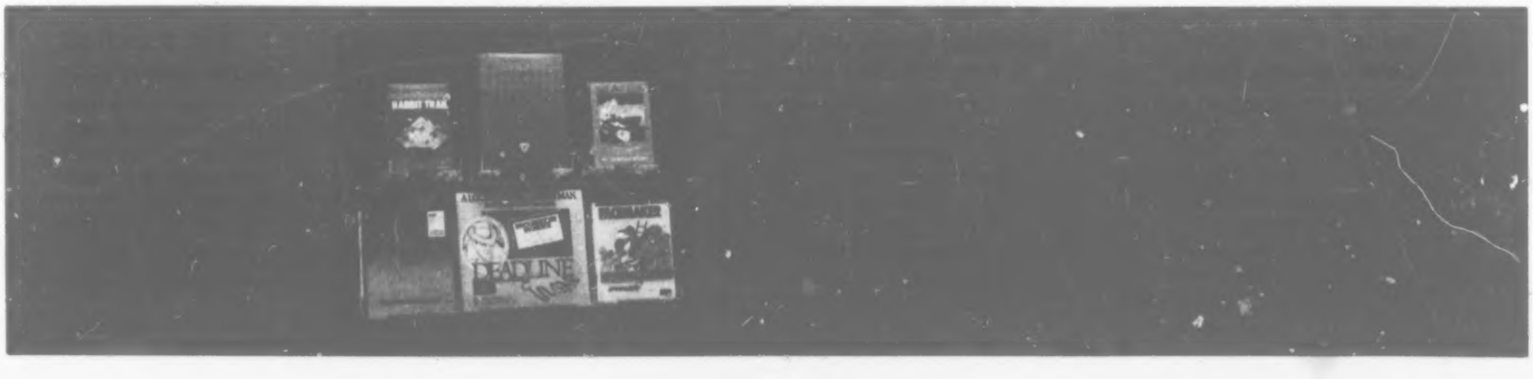
By Ken Coach, contributing editor

OKLAHOMA CITY—There are growing signs that the shakeout in the low-end home computer market could result in more stability and increased profits for dealers of more expensive products.

As Texas Instruments, Mattel, Milton Bradley and Timex have dropped their low-end computer products, consumers have become attracted to more expensive models such as those made by Apple and IBM because they can be sure software and servicing will continue for these machines.

Pricing, of course, is still a factor, but it too is being re-evaluated by the

(Continued on page 47)



21% of computer owners plan to buy another

(Continued from page 41)

(while only 12.8 percent would visit one first) and 10.1 percent said they would purchase theirs in a department store (8.9 percent would pre-shop there).

Surprisingly, electronics specialty stores were not perceived as places to buy a computer. Less than 10 percent of the interviewees said they would either shop for or buy a computer in such a store.

Not surprisingly, outlets other than computer specialty stores were favored by the shoppers who already owned low-priced computers, such as those made by Atari, Commodore and Coleco. Forty percent had bought theirs at either a discount or a department store.

The significance here is that many of these computer owners indicated that they are ready to trade up. Twenty-one percent said they planned to buy another in the next 12 months, and 43.6 percent of them reported they plan to buy a more expensive model the second time around. IBM and Apple were the makes most often cited.

When they do return to the market, these shoppers may well be more inclined to buy their second computer at a non-specialty store. Indeed, 43.2 percent of all computer owners said they now felt "very confident" about making a computer buying decision, compared with only 15.5 percent of the non-owners.

Although price was listed as the number one priority of the shoppers queried, it seems they are still willing to invest a considerable amount of money in a computer. Fifty percent of the owners had spent more than $1,000 on their machines. The average cost of a high-end computer was $2,652. Low-priced models averaged $355.

Nevertheless, more than 60 percent of the shoppers surveyed said they think computer prices will fall by the end of the year—which may indicate that some are holding off making a purchase, waiting for costs to tumble still further.

There also appears to be some misconception on the part of non-owners as to what it would cost to computerize them. Almost half said they thought they could get a satisfactory system for $800 or less.

On the other hand, more than 70 percent of the presumably more knowledgeable owners said they would spring for a package totaling $800 or more. And more than 28 percent of the owners said they would be willing to spend more than $3,000 on their second system.

Getting serious

The computer owners contacted by the survey are obviously using their machines as more than game-playing devices. As a result, peripherals are becoming a more important part of their purchase.

Exactly half of the owners said they had bought a disk drive, and printers, monitors and joysticks (all work and no play...) were found in no less than 44.7 percent of the homes of all computer owners.

Additionally, the shoppers queried indicated that their number one use for a computer would be for business. Computer owners said 32.8 percent of

(Continued on page 44)

Characteristics of the sample

NEW YORK—Interviews for *Merchandising*'s consumer study of the home computer market were conducted in shopping areas in four main regions—California, Minnesota, the New York metropolitan area and Ohio. The highest percentage of owners was found in Minnesota where 54 of the 126 people interviewed said they own a home computer.

Those consumers queried resided in both cities and rural areas. More than 50 percent of them said they lived in a suburb.

Slightly more than 75 percent of the sample said they were currently employed. The remainder was split about evenly among students, homemakers and the unemployed.

The amount of men interviewed outnumbered women by a slight margin.

Owners of under-$1,000 computers

How much did your personal computer cost? (Based on 59 replies)

Average cost $355

Where did you buy your personal computer? (Based on 56 replies)

	Number of replies	Percent of response
Discount store	12	21.4%
Department Store	11	19.6
Computer store	9	16.1
Toy store	8	14.3
Catalog chain	6	10.7
Electronics store	3	5.4
Catalog showroom	1	1.8
Other	6	10.7
Total	56	100.0%

If you were to buy a computer today, what brand would it be? (Based on 55 replies)

	Number of replies	Percent response
Same brand	19	34.6%
Equivalent price	12	21.8
More expensive	24	43.6
Total	55	100.0%

Do you plan to purchase another computer within the next 12 months? (Based on 62 replies)

	Number of replies	Percent of response
Yes	13	21%

What is your household income? (Based on 62 replies)

	Number of replies	Percent of response
Under $10,000	3	4.8%
$10,000-$19,000	9	14.5
$20,000-$29,000	16	25.8
$30,000-$39,000	17	27.4
$40,000-$49,000	11	17.8
$50,000 or more	6	9.7
Total	62	100.0%

What is the number of children in your household? (Based on 62 replies)

	Number of replies	Percent of response
None	21	33.9%
One or more	42	66.1

What is the number of persons in your household? (Based on 62 replies)

	Number of replies	Percent of response
One	7	11.3%
Two	17	27.4
Three or more	38	61.3

90 percent of computer owners are satisfied

Owners of over-$1,000 computers

How much did your personal computer cost? (Based on 82 replies)

Average cost	$2,652

Where did you buy your personal computer? (Based on 85 replies)

	Number of replies	Percent of response
Computer store	41	48.2%
Electronics Store	19	22.3
Department store	5	5.9
Discount store	5	5.9
Catalog chain	5	5.9
Other	10	11.8
Total	85	100.0%

Do you plan to purchase another computer within the next 12 months? (Based on 77 replies)

	Number of replies	Percent of response
Yes	11	14.3%

If you were to buy a computer today, what brand would it be? (Based on 78 replies)

	Number of replies	Percent of response
Same brand	45	57.7%
Equivalent	17	21.8
More expensive	10	12.8
Less expensive	6	7.7
Total	78	100.0%

What is your household income? (Based on 85 replies)

	Number of replies	Percent of response
Under $10,000	1	1.2%
$10,000-$19,000	7	8.2
$20,000-$29,000	10	11.8
$30,000-$39,000	16	18.8
$40,000-$49,000	20	23.5
$50,000 or more	31	36.5
Total	85	100.0%

What is the number of persons in your household? (Based on 85 replies)

	Number of replies	Percent of response
One	13	15.3%
Two	38	44.7
Three or more	34	40.0

What is the number of children in your household? (Based on 85 replies)

	Number of replies	Percent of response
None	59	69.4%
One or more	26	30.6

(Continued from page 43)

the machine's time is used for business applications.

Among owners of high-end computers, Apple was, by far, the most popular brand, followed at a distance by IBM and, at another distance, by Radio Shack. Among other computers turning up on the survey were Kaypro, Epson and Sanyo.

At the low-priced level, Atari was the computer most often owned, although it was followed closely by Commodore. Showing up further down the chart were Coleco, Timex and a few Mattel models.

Looking at the owners of low-priced computers and comparing them with the owners of high-end units, we find a number of differences, none of them too surprising.

Owners of the more expensive units earn more. Their median household income was $44,500 compared with $32,059 in the other group. Four times more high-end computer owners had household incomes of more than $50,000 than in the low-priced computer owner group.

Owners of the low-priced products also had larger households and more children, supporting the theory that most of these units are being bought primarily for the kids' benefit.

If there was one factor uniting the two groups, it was satisfaction. In fact, 52 percent of the owners said they were satisfied with their purchase, and another 38.7 percent went so far as to describe themselves as "very satisfied."

Who did it

Statistical matter for this survey was compiled by Selma Book, market research manager, Matea S. Esguerra, research associate, Pat Jagbandhansingh, research associate, and Renee Weil, assistant market research manager for Gralla Publications.

All consumers surveyed...

How much would you be willing to spend for a complete computer package (computer/monitor/printer/modem/disk drive)? (Based on 511 replies)

	All replies	Owners	Non-owners
Under $250	10.2%	6.5%	11.5%
$250-$299	4.7	5.1	4.6
$300-$399	8.8	3.6	10.7
$400-$799	19.6	13.8	21.7
$800-$1,499	18.4	14.5	19.8
$1,500-$2,499	16.6	18.8	15.8
$2,500-$2,999	8.2	9.4	7.8
$3,000 or more	13.5	28.3	8.1
Total	100.0%	100.0%	100.0%

What personal computer add-ons would you buy? (Based on 457 replies)

	All replies	Owners	Non-Owners
Printer	68.5%	77.9%	64.7%
Disk drive	50.3	62.6	45.4
Monitor	47.7	55.7	44.5
Joystick	46.8	47.3	46.6
Modem	30.0	43.5	24.5
Cassette deck	20.6	16.8	22.1

...owners surveyed.

What personal computer add-ons do you have? (Based on 150 replies)

	Number of replies	Percent of response
Disk drive	75	50.0%
Printer	73	48.7
Joystick	67	44.7
Monitor	67	44.7
Modem	43	28.0
Cassette deck	33	22.0
Extra memory	1	0.7
None	19	12.7

61% of mass merchants polled carry or plan to carry computers

First of a two-part series

By Michele Tomasik, sr. assoc. ed.

NEW YORK—Price-conscious consumers who need a computer fix will be able to satisfy almost any craving at most local mass merchandisers this year as discounters, department stores and catalog showrooms make stronger moves into the market.

Those that carried computer merchandise in 1983 and will continue to sell it this year are increasing their inventories of hardware, software and peripherals by much more than any other type of store.

And although fewer mass merchandisers will be carrying hardware (some are choosing to retire to the sidelines while the manufacturers slug it out), many said they plan to enter (or re-enter) the market in 1985.

Software and peripherals, however, are another story. More mass merchandisers plan to get into these categories in 1984, highlighting their confidence in these industries which have fewer dropouts and deliver higher profit margins than hardware.

These conclusions are drawn from responses given by 406 retailers (representing 1,378 stores) surveyed nationwide by *Merchandising.*

Getting involved

Nearly 61 percent of the mass merchants polled presently carry or plan to carry computers in the near future, far surpassing any other type of electronics-oriented retailer, except for computer specialty stores. This includes radio/TV stores, electronics specialty stores, audio/hifi specialty stores, household appliance stores, video specialty stores and general merchandise stores.

Overall, a 21 percent increase in sales is projected for mass merchants for 1984 for all types of computer products (hardware, software and peripherals).

But the computer category in which mass merchandisers are showing the most interest this year is software. The average respondent expects to increase his inventory in this area by 36.4 percent in 1984. And software inventories at these stores already are worth more than those on hand at single-unit electronics stores. (Several computer specialty stores among the group of electronics multi-unit stores account for the large inventory levels there.)

More than 85 percent of the mass merchandisers carried software last year, well ahead of the other types of stores. That's expected to climb to 89.3 percent this year and stabilize there through 1985, still ahead of the others.

The mass merchandisers also scored well in terms of software selection, offering an average of 47 different titles for Atari machines, for

(Continued on page 48)

Characteristics of the sample

NEW YORK—Forty-six of the 406 retailers that responded to this survey fell into the category of mass merchants (discount stores, department stores and catalog showrooms). The remaining retailers—classified as either single-unit or multi-unit (chain) operations that carry electronics—included radio/TV stores, electronics specialty stores, audio/hifi specialty stores, household appliance stores, video specialty stores, computer specialty stores and general merchandise stores.

Percentage of respondents carrying or planning to carry computer merchandise, by type of company.

	Number of Replies		
	All Replies	Carry now, or will carry	Percent carrying or planning to
Mass Merchandisers	46	28	60.9%
Electronics single-unit stores	260	106	38.6%
Electronics multi-unit stores	80	38	47.5%
Total	406	174	42.9%

Change in the number of retailers carrying computer products.

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
'84 vs. '83				
Hardware	−5.4%	−11.5%	−3.3%	−6.7%
Software	+3.6	+ 4.2	+4.8	0.0
Peripherals	−0.8	+ 5.6	0.0	−7.7
Expected '85 vs. '84				
Hardware	+2.1%	+ 4.3%	+1.1%	+3.6%
Software	+1.4	0.0	+3.4	−3.4
Peripherals	+4.8	+ 5.3	+4.9	+4.2

What change (%) do you expect in your company's sales ($) of computer products (hardware, software, peripherals) in 1984 vs. 1983? What change do you expect in 1985 vs. 1984? (Based on 97 replies)

	Expected Percent Change			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
'84 vs. '83	+22.6%	+21.0%	+23.5%	+21.8%
'85 vs. '84	+21.9%	+14.9%	+23.1%	+25.1%

What change (%) do you expect in these average inventories for full-year '84 compared to '83?

	Expected Percent Increase			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
HARDWARE '84 vs. '83	12.9%	16.4%	12.9%	9.5%
SOFTWARE '84 vs. '83	21.8%	38.4%	18.9%	17.1%
PERIPHERALS '84 vs. '83	14.6%	34.2%	13.1%	4.2%

What was your average inventory (retail value) per store for each of the following types of computer products in 1983?

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
HARDWARE				
Under $2,000	9.0%	13.3%	10.2%	0.0%
$2,000-$4,999	22.5	26.7	22.0	20.0
$5,000-$9,999	24.7	26.7	25.4	20.0
$10,000-$19,999	18.0	20.0	18.7	13.3
$20,000 or more	25.8	13.3	23.7	46.7
Total	100.0%	100.0%	100.0%	100.0%
Average inventory	$24,583	$16,293	$14,093	$74,133
SOFTWARE				
Under $2,000	20.9%	26.7%	23.2%	6.7%
$2,000-$4,999	29.1	13.3	35.7	20.0
$5,000-$9,999	16.3	13.3	17.9	13.3
$10,000-$19,999	22.1	40.0	16.1	26.7
$20,000 or more	11.6	6.7	7.1	33.3
Total	100.0%	100.0%	100.0%	100.0%
Average inventory	$13,407	$7,693	$5,795	$47,533
PERIPHERALS				
Under $2,000	23.4%	18.2%	28.9%	7.1%
$2,000-$4,999	31.1	36.3	28.8	35.7
$5,000-$9,999	16.9	18.2	17.3	14.3
$10,000-$19,999	20.8	27.3	17.3	28.6
$20,000 or more	7.8	0.0	7.7	14.3
Total	100.0%	100.0%	100.0%	100.0%
Average inventory	$8,344	$5,859	$6,949	$18,821

Mass merchants plan to expand software lines

(Continued from page 46)

example. Commodore, Atari and Apple computers are now being given the most software support.

While the mass merchandisers did have the highest proportion of game software among the stores polled, other survey findings indicate that they certainly do not deserve their reputation as games-only stores.

For example, the mass merchandisers surpassed smaller multi-unit stores in the number of educational titles offered. They had more personal productivity titles than single-unit stores. And their educational software sales beat out those at both groups.

All in all, 21 percent of the software stocked by mass merchandisers falls into the educational category, while business and personal productivity titles account for 10.3 and 12.4 percent, respectively.

Peripherals expansions planned

Peripherals inventories will be expanded by an average of 34.2 percent at discount and department and catalog showrooms this year, far greater than those at the other types of stores polled.

Better than 64 percent of the mass merchandisers offered peripherals last year, putting these stores somewhat behind the competition. However, that figure will jump to 67.9 percent this year and 71.4 percent in 1985, as these stores rush to catch up.

Already, however, consumers can find a wide selection of peripherals in those stores that do offer them. All mass merchandisers polled that carry peripherals said that *they sell* cassette players while controllers (joysticks, mouses, light pens, etc.) were stocked by 95.7 percent of those that responded.

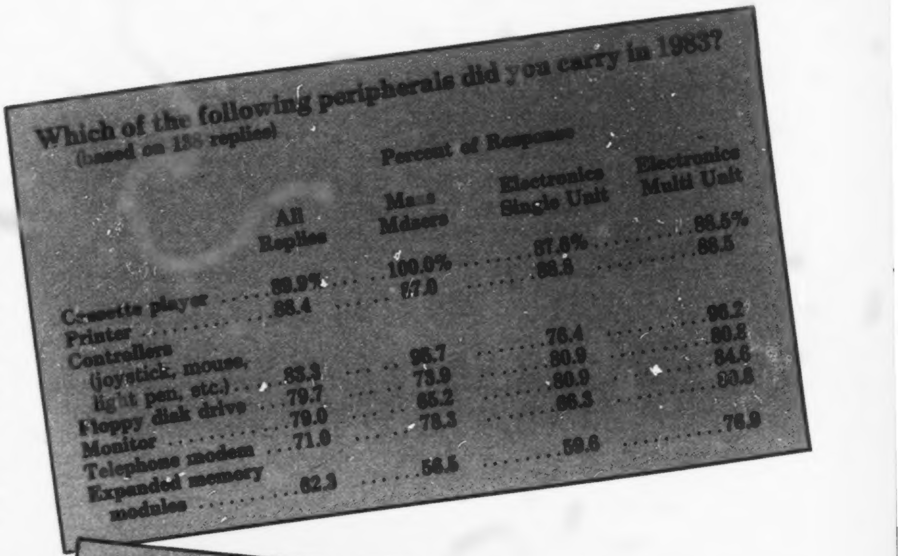
The only products where these mass merchandisers lagged behind were high-end items such as floppy disk drives and memory expansion modules. However, many of the more than 21 percent of mass mechandisers that said they will add computer peripherals in 1984 said that these goods would be on their shopping lists. Modems and monitors will also be available on more of their shelves this year.

Mass merchandisers lead the field in hardware growth projections for 1984. Those that are committed to the business are planning to increase their inventories an average of 16.4 percent over last year.

Almost 93 percent of the mass merchandisers polled carried computer hardware last year. That's expected to slip to 82.1 percent this year before bouncing back to 85.7 percent in 1985. For both '83 and '85, this puts these stores well ahead of the competition. And this year, they're just about neck and neck.

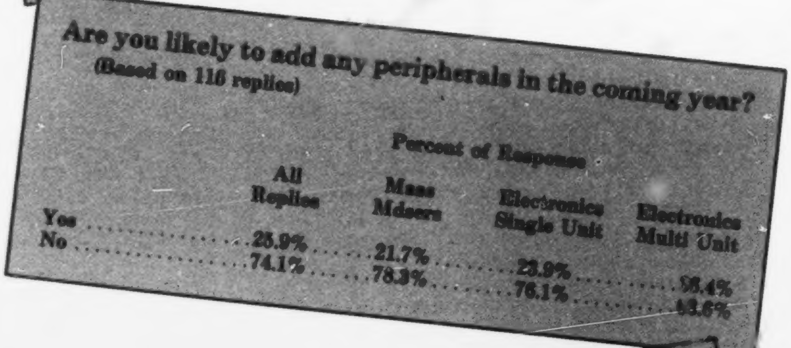
As expected, they said nearly 60 percent of their hardware sales are generated by products selling for $100 to $299, the most popular being those by Commodore, Atari and Coleco.

This is, however, far below what the majority of consumers polled in a separate survey *(see page 43)* said they would be willing to spend for a computer. But the discount and department stores and catalog showrooms seem to realize this, and nearly half said they plan to upgrade their *computer offerings* in the near future to bring in customers interested in higher-end merchandise.



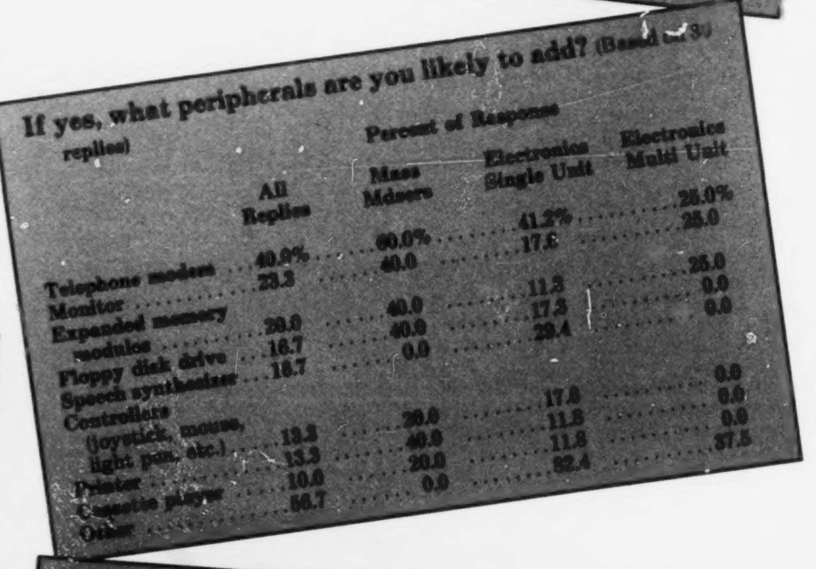
Which of the following peripherals did you carry in 1983?
(based on 138 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Cassette player	89.9%	100.0%	87.6%	88.5%
Printer	88.4	87.0	88.8	88.5
Controllers (joystick, mouse, light pen, etc.)	83.3	95.7	76.4	96.2
Floppy disk drive	79.7	73.9	80.9	80.8
Monitor	79.0	65.2	80.9	84.6
Telephone modem	71.0	78.3	86.3	80.8
Expanded memory modules	62.3	56.5	59.6	76.9



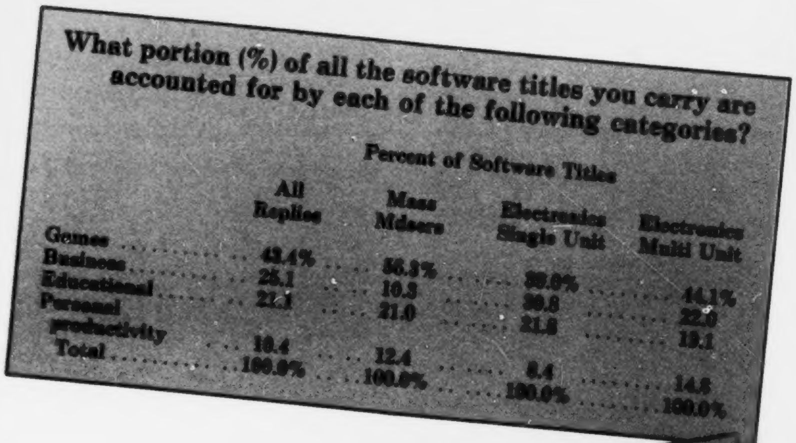
Are you likely to add any peripherals in the coming year?
(Based on 116 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Yes	25.9%	21.7%	23.9%	56.4%
No	74.1%	78.3%	76.1%	43.6%



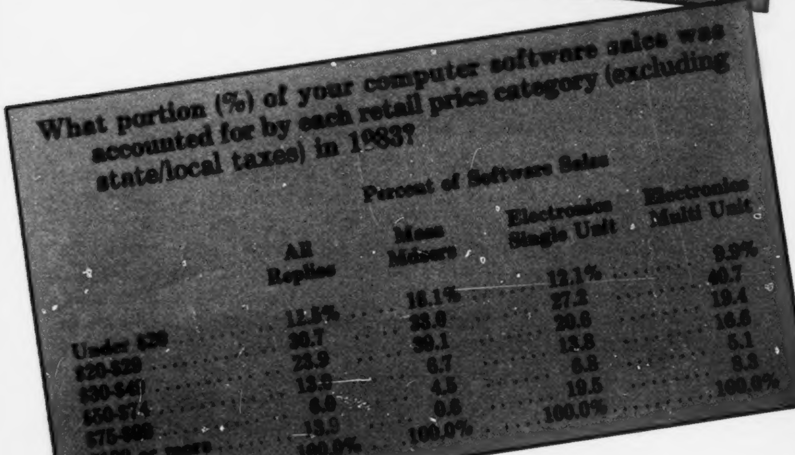
If yes, what peripherals are you likely to add? (Based on 30 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Telephone modem	40.9%	60.0%	41.2%	25.0%
Monitor	23.3	40.0	17.6	25.0
Expanded memory modules	20.0	40.0	11.8	25.0
Floppy disk drive	16.7	40.0	17.6	0.0
Speech synthesizer	16.7	0.0	29.4	0.0
Controllers (joystick, mouse, light pen, etc.)	13.3	20.0	17.6	0.0
Printer	13.3	40.0	11.8	0.0
Cassette player	10.0	20.0	11.8	0.0
Other	56.7	0.0	82.4	37.5



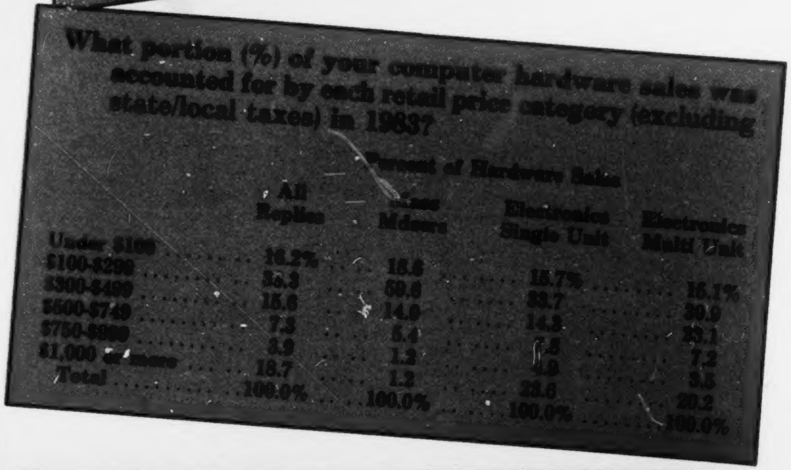
What portion (%) of all the software titles you carry are accounted for by each of the following categories?

	Percent of Software Titles			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Games	43.4%	56.3%	39.0%	44.1%
Business	25.1	10.3	30.8	22.0
Educational	21.1	21.0	21.8	19.1
Personal productivity	10.4	12.4	8.4	14.8
Total	100.0%	100.0%	100.0%	100.0%



What portion (%) of your computer software sales was accounted for by each retail price category (excluding state/local taxes) in 1983?

	Percent of Software Sales			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Under $20	12.5%	16.1%	12.1%	9.9%
$20-$29	30.7	33.0	27.2	40.7
$30-$49	23.9	39.1	20.6	19.4
$50-$74	13.0	6.7	13.8	16.6
$75-$99	6.0	4.5	6.8	5.1
$100 or more	13.9	0.6	19.5	8.3
Total	100.0%	100.0%	100.0%	100.0%



What portion (%) of your computer hardware sales was accounted for by each retail price category (excluding state/local taxes) in 1983?

	Percent of Hardware Sales			
	All Replies	Mass Mdsers	Electronics Single Unit	Electronics Multi Unit
Under $100	16.2%	18.6	15.7%	16.1%
$100-$299	38.3	59.6	33.7	30.9
$300-$499	15.6	14.0	14.8	23.1
$500-$749	7.3	5.4	7.8	7.2
$750-$999	3.9	1.2	4.9	3.5
$1,000 or more	18.7	1.2	23.6	20.2
Total	100.0%	100.0%	100.0%	100.0%

Coming next month
How retailers run their computer department, and how they really feel about the industry

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Tootsie** *(RCA/Columbia)*	1	2
2. **Mr. Mom** *(Vestron)*	8	2
3. **WarGames** *(CBS/Fox)*	—	1
4. **Never Say Never Again** *(Warner)*	—	1
5. **Staying Alive** *(Paramount)*	6	2
6. **Raiders of the Lost Ark** *(Paramount)*	3	4
7. **Risky Business** *(Warner)*	2	4
8. **Trading Places** *(Paramount)*	—	1
9. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	4	3
10. **National Lampoon's Vacation** *(Vestron)* **GP**	5	4
11. **Easy Money** *(Vestron)*	—	1
12. **Brainstorm** *(MGM/UA)* **G**	7	2
13. **Porky's II** *(CBS/Fox)*	14	2
14. **Cujo** *(Warner)*	13	3
15. **Deal of the Century** *(Warner)*	—	1
16. **Flashdance** *(Paramount)*	9	7
17. **Star Chamber** *(CBS/Fox)*	—	1
18. **Eddie and the Cruisers** *(Embassy)*	18	2
19. **Class** *(Vestron)*	11	2
20. **Blue Thunder** *(RCA/Columbia)*	10	5
21. **Jane Fonda's Workout** *(Karl Video)* **GPI**	20	15
22. **48 Hours** *(Paramount)*	16	9
23. **Delirious** *(Paramount)*	30	4
24. **Salem's Lot** *(Warner)*	—	1
25. **The Grey Fox** *(Media)*	24	3
26. **Twilight Zone—The Movie** *(Warner)* **P**	15	4
27 **Krull** *(RCA/Columbia)*	—	1
28. **Dawn of the Dead** *(Thorn EMI)*	23	3
29. **The Man from Snowy River** *(CBS/Fox)*	21	7
30. **Dark Crystal** *(Thorn EMI)*	—	3

Top 10 in videocassette sales

1. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	1	3
2. **Raiders of the Lost Ark** *(Paramount)*	2	5
3. **Jane Fonda's Workout** *(Karl Video)* **GPI**	3	21
4. **Staying Alive** *(Paramount)*	6	2
5. **Flashdance** *(Paramount)*	4	7
6. **Trading Places** *(Paramount)*	—	1
7. **Risky Business** *(Warner)*	5	4
8. **Tootsie** *(RCA/Columbia)*	7	2
9. **Never Say Never Again** *(Warner)*	—	1
10. **48 Hours** *(Paramount)*	10	9

Top 5 in CED videodisc sales

1. **Tootsie** *(RCA/Columbia)*	3	2
2. **Raiders of the Lost Ark** *(Paramount)*	1	4
3. **WarGames** *(CBS/Fox)*	2	4
4. **Staying Alive** *(Paramount)*	5	2
5. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	—	1

Top 5 in laserdisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	4
2. **Never Say Never Again** *(Warner)*	—	1
3. **The Making of Michael Jackson's "Thriller"** *(Vestron)* **GP**	3	2
4. **Tootsie** *(RCA/Columbia)*	—	1
5. **Risky Business** *(Warner)* **GP**	4	3

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

KARL

HOW TO TEACH YOUR BABY TO READ Child development specialist Glenn Doman reveals research that proves that children actually learn more from birth to the age of six than they do for the rest of their lives. At the Institute for the Achievement of Human Potential, where Doman teaches, three-year-olds learn to read more readily than seven-year-olds. With only a few minutes work a day, even a six-month-old baby can learn its first words within two weeks, Doman claims. *Color 110 minutes C: $49.95.*

MCA

D.C. CAB (1984) A young southerner (Adam Baldwin) brings pride and esteem to a group of society's outcasts in a rag-tag Washington, DC cab company on the verge of extinction. Albert must win over the "DC cab personalities" including Mr. Samson (Mr. T) and Dell Dorado (Gary Busey). A number of zany incidents are shown in the film, including a high-speed chase through the city and an encounter with the "Angel of Death." Closed-captioned for the hearing impaired. *Color R 100 minutes Beta Hifi stereo and VHS Dolby Stereo C: $69.95 CED: $29.98 LV: $29.98.*

STARS ON 45 (1983) This elaborate live stage film covers the past 30 years of pop music history. Tunes by Little Richard, Chuck Berry, The Beatles and performers at Woodstock are featured. *Color 71 minutes C: $39.95 CED: $24.98 LV: $29.98.*

MEDIA

CIRCUS WORLD (1964) John Wayne stars as Matt Masters, the two-fisted boss of a three-ring traveling Wild West show. Masters brings his gang to the continent and seeks to rekindle an old flame with a lover (Rita Hayworth). But along the way, he is met with such disasters as a spectacular circus fire and the sinking of a 4,000-ton freighter loaded with performers and animals. *Color 131 minutes C: $59.95.*

DARK STAR (1975) In the mid-21st century, a futuristic scoutship, armed with Exponential Thermostellar Bombs, prowls the darkest corners of the cosmos on a mission to destroy unstable planets. But one of the ship's thinking and talking bombs is lodged in the bay and is threatening to destroy the entire ship and crew! John Carpenter (Halloween) and Dan O'Bannon (Alien) star in this thrilling, adventure-packed science fiction tale. *Color G 91 minutes C: $29.95.*

EL CID (1961) Filmed on location in the breathtaking Spanish countryside, El Cid chronicles the life and times of this immortal warrior/liberator. Charlton Heston stars as the heroic crusader who freed his nation from the invading Islamic hordes in the courageous defense of Valencia. Romance, high adventure and majestic spectacle highlight this film. *Color 184 minutes C: $79.95 (double cassette package).*

PARAMOUNT

THE DEAD ZONE Based on Stephen King's best-selling novel, this suspenseful thriller stars Christopher Walken as a man who gains extraordinary psychic powers following a near-fatal accident. He is forced to decide between seeking absolute seclusion in order to escape his frightening visions, or using his "gift" to save mankind from impending evil. *Color C: $59.95 CED: $29.95 LV: $29.95.*

MISTER MAGOO...MAN OF MYSTERY The famous cartoon character plays four legendary literary and comic strip heroes in this animated full-length feature. He is seen as Dr. Watson, Dr. Frankenstein, the Count of Monte Cristo and Dick Tracy. *Color C: $39.95.*

NATE AND HAYES Set during the mid-1800s in the South Pacific, this film stars Tommy Lee Jones as the real-life swashbuckler Captain "Bully" Hayes and Michael O'Keefe as the young Reverend Nate. The movie chronicles their action-packed adventures in pursuit of a cutthroat gang which has kidnapped Nate's bride Sophie. *Color C: $59.95 CED: $29.95 LV: $29.95.*

VESTRON

THE DISAPPEARANCE (1981) Donald Sutherland portrays Jay Mallory, a hired assassin who discovers an ironic link between his new target and his missing wife. David Hemmings, John Hurt and Christopher Hurt also star. *Color R 80 minutes C.*

WARNER

STAR 80 (1983) The stormy relationship of Playboy Playmate of the Year Dorothy Stratten (Mariel Hemingway) and her manager-husband Paul Snider (Eric Roberts) is depicted. *Color R 104 minutes C: $79.95 CED: $19.98 LV: $34.98.*

ZELIG (1983) The wonderful Woody Allen stars with Mia Farrow in a biographical documentary about an extraordinary celebrity named Leonard Zelig. The film was written and directed by Allen. *B/W R 79 minutes C: $79.95 CED: $19.98 LV: $34.98.*

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· A GRALLA PUBLICATION

MAY

Merchandising

Home and Auto Electronics · Housewares · Major Appliance

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTO

Shifting to the high end in... AUTOSOUND

The 1995 Urbano commuter car, by Orrin Shively of the Art Center College of Design, Pasadena, CA, features a rear engine, rear drive, rear steering and, of course, mind-boggling autosound system.

Tomorrow's car stereos: smarter, smaller and snazzier

Retailers anticipate 10-40% increases in sales in '84

Is Detroit aiming for a larger piece of the pie?

Dealers eye the blank tape ma

updates on
AM stereo

Also in this issue:

Foley's hangs on to its major appliance customers

A full report on the April Housewares Show

really feel about the business

fashion and excitement

to you

Merchandising

FOR OVER 56,200 RETAILERS & WHOLESALERS

May 1984
Our 77th Year
Vol. 9, No. 5

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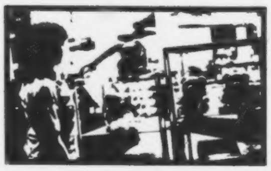

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Retailers pleased with vendors of peripherals, software, but fault hardware manufacturers

By Frank Cavaliere, associate editor

NEW YORK—Retailers are having an easier time dealing with both peripheral and software manufacturers than hardware manufacturers in the ever-changing computer business.

Dealers say they are having few problems sorting through the myriad of software titles, printers, joysticks and disk drives available. These vendors are apparently doing a good job of filling their needs.

All is not perfect, however. Retailers expressed, sometimes forcefully, their disappointment with hardware manufacturers, which, they asserted, do not understand the needs of their businesses. Among the more prevalent complaints were ones of inadequate sales support, low profit margins and too many dissatisfied customers.

These were among the findings revealed in a retailer survey done by *Merchandising*. Part one of findings from the survey ran in the April issue. In this, the second part, retailers sound off on what's bothering them when it comes to stocking computer products.

Two-thirds are pleased

When asked if they believed software manufacturers understood the marketing needs of their particular operation, 65.5 percent said yes while the remaining 34.5 percent said their relationships with software suppliers needed improvement.

A nearly identical response ratio was gotten when retailers commented on their satisfaction level with peripheral suppliers. Almost two-thirds (66.2 percent) said they were pleased with the understanding peripheral manufacturers exhibited and slightly more than one-third, or 33.8 percent, said they were not.

For both questions, retailers were asked to elaborate if they were not happy with their software and peripheral manufacturers. For software, a recurring problem was the lack of demonstration programs. Retailers said they need these programs to become familiar with a program before customers begin asking questions about it.

"Dealers need available demonstration packages to fully understand the software—and at reasonable cost!" replied one retailer. Another respondent simply said, "We need to have demos of programs."

In a related area, another called for "more good educational programs for all levels, especially intermediate."

In the peripheral category, complaints ranged from the broad ("too complex") to the specific ("Cables do not match. All [cables] should make universal connections"). A similar comment calling for easier connections was written briefly as "better interfacing/standardization needed."

What this suggests is that retailers are still being hurt by incompatibility. People who buy a cpu, a printer and a disk drive from different companies and find they cannot be connected without too much work do not make happy customers.

Hardware's another story

The responses on hardware reflect retailers' continuing struggle with the complicated world of computers. Falling prices still confuse dealers, and in turn, their customers.

Many implied that selling computers is made even more difficult by limited supplier support and sales training. "If you don't tell us enough about the machine, how can you expect us to convince a customer?" retailers seemed to say.

After checking off the "no" box when asked if he believed that hardware manufacturers understood the marketing needs of his particular operation, one respondent listed his principal complaints as, "no training on how to sell merchandise, no profit and too many returns."

Overall, response revealed nearly a 50/50 split, with 48.6 percent saying they thought suppliers understood their business and the remaining 51.4 percent voicing the opposite.

Typical of many suggestions were two people who wrote of the need for "price stabilization" in their suggestion space. Although prices are fluctuating less than in the past, retailers are apparently still being hurt.

One dealer expanded on the thoughts of many of his colleagues, noting that "some stores are selling products at a lower price than I can buy them for."

But the object of his wrath, mass merchandisers, also called for improved pricing strategies. One said "sensible distribution policies that allow the retailer to make a fair profit for the time and money he has invested" are badly needed.

Pricing affects sales

Trouble with pricing is having a direct effect on sales, said the retailers. Exactly 57 percent of those queried said the main reason people are hesitating to buy a computer is that they are still waiting for prices to drop. The second most prevalent answer, with 18.5 percent of the total, was that people have no need for a computer now. Six percent cited both of these reasons as the main causes of consumer resistance.

The remaining responses were divided between retailers saying their customers simply do not understand computers (12.6 percent) and other, unlisted reasons (19.2 percent).

Must explain applications

Manufacturers must "be able to explain current and future applications of their merchandise," and provide "better information for the public as to the needs for home computers," said two of the respondents.

A representative reply addressing the majority view said manufacturers and retailers should shoot for "one year of stable pricing" and selling product from a need standpoint instead of just price.

But that may not be so easy to do. More than one-third, 39.9 percent of the retailers, said that they felt that the potential computer market had been "overstated" by manufacturers trying to build sales before building a sense of need for their products.

Do you believe that software manufacturers understand the marketing needs of your particular operation? (Based on 142 replies)

Yes	93	65.5%
No	49	34.5
Total	142	100.0%

Do you believe that peripherals manufacturers understand the marketing needs of your particular operation? (Based on 136 replies)

Yes	[illegible]	[illegible]
No	[illegible]	[illegible]
Total	[illegible]	[illegible]

Which of the following would you consider to be the main cause of consumer skepticism (hesitation) in home computer purchasing? (Based on [illegible] replies)

Waiting for prices to drop	[illegible]	[illegible]
Have no need for it now	[illegible]	[illegible]
Both	[illegible]	[illegible]
*Don't understand computers	[illegible]	[illegible]
Other	[illegible]	[illegible]

*Not on questionnaire

Do you believe that hardware manufacturers understand the marketing needs of your particular operation? (Based on [illegible] replies)

Yes	[illegible]	[illegible]
No	[illegible]	[illegible]
Total	[illegible]	[illegible]

Do you feel that the [illegible]

Yes	[illegible]	[illegible]
No	[illegible]	[illegible]

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Trading Places** *(Paramount)*	8	2
2. **WarGames** *(CBS/Fox)*	3	2
3. **Sudden Impact** *(Warner)*	—	1
4. **Octopussy** *(CBS/Fox)*	—	1
5. **Mr. Mom** *(Vestron)*	2	3
6. **Tootsie** *(RCA/Columbia)*	1	3
7. **Never Say Never Again** *(Warner)* **GP**	4	2
8. **Risky Business** *(Warner)* **GP**	7	5
9. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	9	4
10. **Raiders of the Lost Ark** *(Paramount)*	6	5
11. **Star Chamber** *(CBS/Fox)*	17	2
12. **Easy Money** *(Vestron)*	11	2
13. **Star '80** *(Warner)*	—	1
14. **The Dead Zone** *(Paramount)*	—	1
15. **D.C. Cab** *(MCA)*	—	1
16. **National Lampoon's Vacation** *(Vestron)* **GP**	10	5
17. **Jane Fonda's Workout** *(Karl Video)* **GPI**	21	16
18. **Staying Alive** *(Paramount)*	5	3
19. **Caligula** *(Vestron)*	—	1
20. **Under Fire** *(Vestron)*	—	1
21. **Tender Mercies** *(Thorn EMI)*	—	5
22. **Eddie and the Cruisers** *(Embassy)* **G**	18	3
23. **Class** *(Vestron)*	19	3
24. **Nate and Hayes** *(Paramount)*	—	1
25. **Krull** *(RCA/Columbia)* **G**	27	2
26. **Fanny and Alexander** *(Embassy)*	—	1
27. **Osterman Weekend** *(Thorn EMI)*	—	1
28. **Flashdance** *(Paramount)*	16	8
29. **Cujo** *(Warner)*	14	4
30. **Brainstorm** *(MGM/UA)* **G**	12	3

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)* **GPI**	3	22
2. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	1	4
3. **Trading Places** *(Paramount)*	6	2
4. **Raiders of the Lost Ark** *(Paramount)*	2	6
5. **Flashdance** *(Paramount)*	5	8
6. **Octopussy** *(Paramount)*	—	1
7. **Staying Alive** *(Paramount)*	4	3
8. **WarGames** *(CBS/Fox)* **G**	—	1
9. **48 Hours** *(Paramount)*	10	10
10. **Risky Business** *(Warner)* **GP**	7	5

Top 5 in CED videodisc sales

1. **Sudden Impact** *(Warner)*	—	1
2. **Octopussy** *(CBS/Fox)*	—	1
3. **Mr. Mom** *(Vestron)*	—	1
4. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	5	2
5. **WarGames** *(CBS/Fox)* **GP**	3	5

Top 5 in laserdisc sales

1. **Raiders of the Lost Ark** *(Paramount)*	1	5
2. **Sudden Impact** *(Warner)*	—	1
3. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	3	3
4. **Trading Places** *(Paramount)*	—	1
5. **Never Say Never Again** *(Warner)*	2	2

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

EMBASSY

THE GOLDEN SEAL (1983) Filmed in the Aleutian Islands, this family adventure is a modern parable about a small boy's innocence put in direct conflict with his failed dreams and the greed of adults. *Color PG 94 minutes C, CED, LV.*

HEAVENLY BODIES (1974) A 60-year treatment of women on the screen shows such stars as Greta Garbo, Jean Harlow and Betty Grable. A total of 34 women reflect the customs, manners and mores of the times. *B/W and Color 87 minutes C.*

MCA

HEAT AND DUST (1982) This film is really two stories in one. The first tale is about Olivia (Greta Scacchi), a young English bride who joins her husband Douglas (Christopher Cazenove) at his post in India. The second story is about Anne (Julie Christie), Olivia's niece, who travels to India in search of the truth about a scandalous and mysterious relative. *Color R 130 minutes C: $59.95.*

LA TRAVIATA (1983) The filmed version of Giuseppe Verdi's opera classic stars Placido Domingo, one of the world's great tenors, in his cinematic debut. Teresa Stratas, the critically acclaimed Metropolitan Opera soprano, also stars. *Color G 105 minutes C: $69.95 CED: $29.98 LV: $29.98.*

REAR WINDOW (1954) This witty and macabre tale of voyeurism and murder stars Jimmy Stewart and the late Grace Kelly. Alfred Hitchcock demonstrates why he's known as the "Master of Suspense" in this moving film. *Color 112 minutes PG C: $59.95 CED: $19.98 LV: $29.98.*

SCARFACE (1983) This new release of Scarface stars Al Pacino and has been hailed as the most brutal gangster film of all time. The new version borrows much of the sharp-edged attitudes and many memorable scenes from the original, such as the bowling alley killing of Boris Karloff. *Color 170 minutes R C: $79.95 CED: $34.98 LV: $39.98.*

MEDIA

THE ADVENTURES OF FELIX THE CAT That crazy cat is into mischief again in the first cartoon compilation released for home use. Media Home Entertainment has licensed home video rights to 16 hours of Felix's escapades and will edit the material for video release. *Color C: $29.95.*

DAVID BOWIE—SERIOUS MOONLIGHT (1984) From the androgynous Ziggy Stardust to the cool, detached Aladdin Sane, Bowie has always possessed a flair for the theatrical and the music to match each persona. In Serious Moonlight, Bowie strips away all his masks to reveal his true self to the world at last. *Color 90 minutes C: $39.95.*

DRACULA BLOWS HIS COOL This comic tale shows more lovely necks than even the blood-thirsty Count can handle! Amid swarms of vampires giving out love bites at a hip disco, will a photographer and his three models be able to survive? Will anyone be able to kiss again after viewing this movie? The tape is under the Private Screenings label and is distributed by Media Home Entertainment. *Color 91 minutes C.*

THE FALL OF THE ROMAN EMPIRE (1964) Against a background of pompous spectacle and pagan brutality, Lucilla (Sophia Loren), the emperor's daughter, fights to halt the decline of Rome. Coming to her aid is Livius (Stephen Boyd), the renegade general who is torn between his love for Lucilla and his loyalty to his country. *Color 152 minutes C: $69.95.*

MGM/UA

REVENGE OF THE NINJA (1983) The Ninja are back again! The secret cult of invincible warriors and martial artists display their 1,000 methods of murder. World renowned martial artist Sho Kosugi stars as Cho Osaki, a Ninja hoping to escape his bloody past in Los Angeles. *Color 90 minutes R C: $79.95.*

STRAWBERRY SHORTCAKE PETS ON PARADE Strawberry Shortcake is named as the judge of a pet show and first prize is a shiny new tricycle. But the Peculiar Purple Pieman of Porcupine Peak plots to swipe it! But Strawberry and her pals Raspberry Tart and Blueberry Muffin teach the Pieman a lesson that he'll never forget. *Color 60 minutes C: $29.95.*

PARAMOUNT

DANIEL (1983) Based on E.L. Doctorow's The Book of Daniel, this film depicts the story of Paul and Rochelle Isaacson, characters who greatly resemble Julius and Ethel Rosenberg. The couple was executed for espionage, and the film explores the tortuous impact of this event on their son, Daniel (Timothy Hutton), and his sister (Amanda Plummer). *Color C: $59.95.*

UNCOMMON VALOR The tragedy of the many men who are still missing in action following the Vietnam war is explored in this film. Academy award winner Gene Hackman portrays Colonel Jason Rhodes.
Color C: $59.95 CED: $29.95 LV: $29.95.

24300 — 1

A GRALLA PUBLICATION

Merchandising

JUNE 198

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

NEW CES PRODUCTS FUEL THE BOOM IN CONSUMER ELECTRONICS SALES

Robots: the ultimate home computers
Is shop-at-home retailers' friend or foe?
Consumers upgrade to m[illegible]-featured phones
Sophistication, stereo mark video intros

[illegible] image for major appliances

Retailers react to high tech in personal care

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Merchandising

FOR OVER 56,200 RETAILERS & WHOLESALERS

June 1984
Our 77th Year
Vol. 9, No. 6

Merchandising
NEW CES PRODUCTS FUEL THE BOOM IN CONSUMER ELECTRONICS SALES
Robots: the ultimate home computer
Is shop-at-home retailers'
Consumers upgrade to
Sophistication, stereo

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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Sudden Impact** *(Warner)* **GP**	3	2
2. **Trading Places** *(Paramount)*	1	3
3. **Uncommon Valor** *(Paramount)*	—	1
4. **Octopussy** *(CBS/Fox)*	4	2
5. **Mr. Mom** *(Vestron)*	5	4
6. **The Dead Zone** *(Paramount)*	14	2
7. **Under Fire** *(Vestron)*	20	2
8. **WarGames** *(CBS/Fox)* **G**	2	3
9. **Star 80** *(Warner)* **GP**	13	2
10. **Never Say Never Again** *(Warner)* **GP**	7	3
11. **D.C. Cab** *(MCA)* **G**	15	2
12. **Gorky Park** *(Vestron)*	—	1
13. **Tootsie** *(RCA/Columbia)*	6	4
14. **Osterman Weekend** *(Thorn EMI)* **GP**	27	2
15. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	9	5
16. **Caligula** *(Vestron)*	19	2
17. **Risky Business** *(Warner)*	8	6
18. **Star Chamber** *(CBS/Fox)*	11	3
19. **Raiders of the Lost Ark** *(Paramount)*	10	6
20. **Zelig** *(Warner)* **G**	—	1
21. **National Lampoon's Vacation** *(Vestron)* **GP**	16	6
22. **Revenge of the Ninja** *(MGM/UA)*	—	1
23. **Flashdance** *(Paramount)*	28	9
24. **Tender Mercies** *(Thorn EMI)*	21	6
25. **Easy Money** *(Vestron)*	12	3
26. **Nate and Hayes** *(Paramount)*	24	2
27. **Tomorrow** *(U.S.A. Films)*	—	1
28. **The Man Who Loved Women** *(Columbia)*	—	1
29. **Delirious** *(Paramount)*	—	5
30. **Twilight Zone—The Movie** *(Warner)*	—	5

Top 10 in videocassette sales

1. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	2	5
2. **Jane Fonda's Workout** *(Karl Home Video)*	1	23
3. **Raiders of the Lost Ark** *(Paramount)*	4	7
4. **Do It Debbie's Way** *(Video Associates)*	—	1
5. **Trading Places** *(Paramount)*	3	3
6. **Sudden Impact** *(Warner)* **GP**	—	1
7. **Flashdance** *(Paramount)*	5	9
8. **Never Say Never Again** *(Warner)*	—	2
9. **Risky Business** *(Warner)* **GP**	10	6
10. **Octopussy** *(Paramount)*	6	2

Top 5 in CED videodisc sales

1. **Sudden Impact** *(Warner)* **GP**	1	2
2. **Never Say Never Again** *(Warner)*	—	1
3. **The Making of Michael Jackson's Thriller** *(Vestron)*	4	3
4. **Octopussy** *(CBS/Fox)*	2	2
5. **Trading Places** *(Paramount)*	—	1

Top 5 in laserdisc sales

1. **Sudden Impact** *(Warner)* **GP**	2	2
2. **The Making of Michael Jackson's Thriller** *(Vestron)*	3	4
3. **Raiders of the Lost Ark** *(Paramount)*	1	6
4. **Trading Places** *(Paramount)*	4	2
5. **Never Say Never Again** *(Warner)*	5	3

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS FOX

THE BEST OF 60 MINUTES A compilation of some of the most gripping segments of 60 Minutes ever shown were chosen by executive producer Don Hewitt from over 1,400 stories. One segment shows Ed Bradley when he traveled to the coal mines of W. Virginia where coal miners were subjected to sexual harassment. Dealer support material is available. *Color C: $59.98.*

EMBASSY

CHILDREN OF THE CORN A young couple stumble into chaotic violence in a small midwestern farming town where a boy preacher has exhorted the children to slaughter all grownups to appease a satanic demon. Stephen King's latest thriller stars Peter Horton and Linda Hamilton. *Color R C: $69.95 LV: $34.98 CED: $29.95.*

SILKWOOD (1983) The marvelous Meryl Streep stars in this compelling drama based on the personal and professional struggle of Karen Silkwood, who died mysteriously in a car accident while attempting to expose the dangers of a plutonium plant. Kurt Russell portrays Silkwood's boyfriend Drew and Cher plays Dolly Pelliker. *Color C: $79.95 LV: $44.95 CED: $39.95.*

KARL

COMPUTABILITY This Steve Allen/Jayne Meadows tape is designed to help viewers learn how their individual needs might best be served by home computer software. In addition to a complete introduction and glossary, number-based spread programs are explored. *Color C: $39.95*

MCA

CRACKERS (1984) Donald Sutherland and Sean Penn are the "masterminds" in this deftly crafted comedy about a group of eccentric San Francisco neighbors who decide that the only way to make an honest buck is to steal it. But to no one's surprise but their own, the would-be burglars are more successful at falling down coal chutes and blowing up apartment buildings than robbing a single store. *Color PG 92 minutes C: $59.95 LV: $29.98 CED: $19.98.*

THE LONELY GUY (1984) Larry Hubbard (Steve Martin) portrays a struggling greeting card writer living in New York who is forced to leave his girlfriend Danielle (Robyn Douglass) after he finds her in bed with another man. Larry loses his greeting card company job and writes a best-selling novel about being a lonely guy. He becomes a celebrity and has women crawling at his feet—except for the one he wants. *Color R 91 minutes C: $69.95 LV: $29.98 CED: $19.98.*

MGM/UA

THE OTHER SIDE OF NASHVILLE A unique musical experience, this music video provides candid interviews and rare back stage footage with such artists as Willie Nelson, Johnny Cash and Kris Kristofferson. Some 40 songs, including The Gambler by Kenny Rogers and Two More Bottles of Wine by Emmylou Harris, are included. *Color 118 minutes VHS stereo and Beta Hifi C: $59.95.*

PARAMOUNT

TERMS OF ENDEARMENT (1983) From grand slapstick to deepest sentiment, this film explores the relationship between two women—Aurora Greenway (Shirley MacLaine) and her daughter Emma (Debra Winger). The film was recently awarded five Oscars by the Academy of Motion Pictures Arts and Science, including Best Picture of 1983. Point-of-purchase materials, including posters and window banners, are available. *Color C: $39.95 LV: $39.95 CED: $29.95.*

RCA/COLUMBIA

RICK SPRINGFIELD PLATINUM VIDEOS Six conceptual music video clips are included in this program, including Affairs of the Heart, Living in Oz and What Kind of Fool Am I? *Color 30 minutes C: $19.95.*

THORN EMI

ANGEL (1984) An honor student by day and prostitute by night, 15-year-old Molly Stewart (Donna Wilkes) becomes the marked target of a deranged killer who preys on Hollywood Boulevard prostitutes. *Color R 94 minutes C: $79.95.*

COVERGIRL (1983) The heartaches and struggles involved in one girl's rise to become a superstar model are depicted. This movie also provides a provocative insight into the world of beauty and fashion. *Color R 98 minutes C: $59.95.*

WALT DISNEY

MICKEY One of seven limited Gold Edition titles, this tape spotlights the wonderful Mickey Mouse in seven of his greatest screen adventures. The vintage "Steamboat Willie," which shows Mickey in his first screen appearance, is included in the tape. Point-of-purchase aids are available to promote each title in the Limited Gold collection, and the videotapes will be available for a limited time only. *Color C: $29.95 CED: $19.95.*

Most retailers polled buy software from local distributor companies

Last of a three-part series

By Frank Cavaliere, associate editor

NEW YORK—Where do retailers buy their computer software? As a group, most are turning to local distributors.

But that changes significantly when multi-unit electronics chains are broken out of the group. Most of these stores buy directly from the manufacturer. Apparently, they feel confident enough to go it alone—without the extensive support services provided by either a national or a local distribution company.

These were among the findings detailed in the third and final part of a retailer survey done by *Merchandising*. Part one of findings from the survey ran in the April issue. Part two, which concerned itself with how retailers felt about their relationships with hardware, software and peripheral manufacturers, ran in May. In this, the third part, statistics reveal how retailers buy, stock, display and demonstrate computer products and train employees.

Most widely used method

When asked what portion of their software is purchased from a local distributor, national distributor or directly from a manufacturer, 41 percent of the 127 respondents queried said they used a local distributor. Almost one-third (33.6 percent) said they bought their software from a national distributor, while 25.4 percent said they purchased their merchandise directly from suppliers.

When separated into the mass merchandisers and electronics single-unit and electronics multi-unit categories, the results were slightly changed. The first two store divisions had similar response ratios.

Of mass merchandisers, 56.6 percent of those questioned said they used a local distributor, 30.1 percent a national firm and the remaining 13.3 percent said they bought directly from manufacturers.

Electronics single-unit outlet responses elicited similar results in that 40.4 percent of those asked said they use local distributors. More than one-third, or 34.2 percent, said they used national distributors while the rest (25.4 percent) said they purchased the software directly from vendors.

It was only in the electronics multi-unit area that the findings showed a significant change. The majority, with 37.3 percent, of those multi-unit retailers questioned said they bought directly from manufacturers, followed closely by the 35 percent of those asked who said they used a national distributor. Interestingly, only 27.7 percent said they used a local distributor.

Retailers were not asked to elaborate on this question, so any conclusions are purely speculative. But the results do seem to suggest that multi-unit electronics units believe that they have a better grasp of merchandising software than their counterparts. They are willing to forego the support provided by distribution firms in order to save money by using the time-consuming method of contacting individual manufacturers.

Retailers were also asked what portion of their computer software was covered by a stock balancing program. Of the 106 respondents, 53.8 percent said that none of their software stock is covered by any such manufacturer credit program.

In each case, be it mass merchandisers, multi- or single-unit electronics outlets, the largest category in terms of percentage was the "none" response. Some 39.1 percent of mass merchandisers said that no part of their stock was covered by a stock balancing program.

The percentage rose a bit when asked of multi-unit electronics merchandisers, with a 45.4 percent of the total saying they didn't have such a program. And it rose to its peak when 62.3 percent of the single-unit electronics retailers said they didn't have a stock balancing program.

Might spell future trouble

The lack of such a retailer/manufacturer agreement could spell trouble. Again, for this question, the survey did not request further remarks, so conclusions cannot be drawn with certainty.

Nevertheless, without such an established program whereby retailers receive credit when agreeing to stock an updated software line while trying to dispose of older, slow-selling or ill-conceived product, the software business might suffer.

As the tricky business of predicting what new software will move becomes even more difficult, retailers may demand such agreements from vendors.

And if they do not receive such programs they might find that stocking software isn't worth the effort.

When retailers do stock software, most of them prefer to group it by subject rather than manufacturer. When asked how their computer software is displayed, 73.6 percent of 129 retailers said they preferred stocking by subject. Those that preferred stocking by manufacturer accounted for 67.5 percent of the total. (The over-100-percent response is due to

(Continued on page 82)

What portion (%) of your software is purchased from each of the following? (Based on 127 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
Local distributor	41.0%	56.6%	40.4%	27.7%
National distributor	33.6	30.1	34.2	35.0
Direct from man.	25.4	13.3	25.4	37.3
Total	100.0%	100.0%	100.0%	100.0%

What portion (%) of your computer software is covered by a stock balancing program? (Based on 106 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
None	53.8%	39.1%	62.3%	45.4%
Less than 25%	9.4	0.0	14.8	4.6
25% to 49%	4.7	4.4	4.9	4.6
50% to 74%	11.3	8.7	11.5	13.6
75% to 99%	7.6	17.4	1.6	13.6
100%	13.2	30.4	4.9	18.2
Total	100.0%	100.0%	100.0%	100.0%

Is your computer software displayed by 'subject' or 'manufacturer?' (Based on 129 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
Subject matter	73.6%	64.0%	78.2%	69.2%
Manufacturer	67.5	76.0	65.4	65.4

What portion (%) of your software is displayed in each of the following ways? (Based on 115 replies)

	Percent of Software			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
Open shelves/racks	44.1%	22.2%	53.4%	39.4%
Locked cases	37.7	68.9	26.4	37.9
P-o-p displays	14.9	8.9	17.6	13.1
Other	3.3	0.0	2.6	9.6
Total	100.0%	100.0%	100.0%	100.0%

Which of the following do you use to train employees in selling computer merchandise? (Based on 143 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
Books, literature, manuals	73.4%	85.4%	73.6%	80.0%
Aids from manufacturers	58.7	[illegible]	55.2	60.0
Aids from distributors	52.4	[illegible]	54.0	53.3
Classes	[illegible]	[illegible]	29.1	60.0
Videotapes	36.5	42.3	[illegible]	40.0
Other	6.3	[illegible]	3.3	3.3

How important are demonstration tapes/videos in selling computer products? (Based on 145 replies)

	Percent of Response			
	All Replies	Mass Mdsers	Electronics Single-Unit	Electronics Multi-Unit
Very	[illegible]	68.2%	40.0%	[illegible]
Moderately	25.5	[illegible]	30.0	17.9
Somewhat	[illegible]	[illegible]	[illegible]	14.3
Not at all	11.0	7.5	11.1	14.3
Total	[illegible]	100.0%	100.0	100.0%

Vendors predict boom in future robot sales

(Continued from page 74)

three to five years. "More home robots will be coming from appliance manufacturers like General Electric and White-Westinghouse. When you think about it, a dishwasher is nothing more than a dedicated task robot," he said.

Three companies display

In addition to Heath, RB Robot and Androbot, Inc. displayed units at the exposition. The three companies are the largest producers of personal robots.

One of the models displayed by Androbot (which is headed by Nolan Bushnell, the founder of Atari and the Chuck E. Cheese Pizza Time Theatre chain) was Topo II. Priced at $1,700, it can walk or talk, guided by an infrared light source that links the unit to an Apple IIe or Commodore 64 command center.

Engineer Dave Oppenheim explained that his company views Topo as a peripheral to a personal computer, rather than a self-contained product.

For the more financially well-heeled, Androbot is offering B.O.B., the company's higher-end model which retails for $4,000. B.O.B. stands for "brains on board" and is more sophisticated than its companion unit.

B.O.B. has an ultrasonic rangefinder that measures the distance between an object and its current position. And it comes equipped with a lift, enabling it to move items about a house.

Oppenheim described his robots, Topo in particular, as "very expensive entertainment."

Somewhat more effusive about the uses for his product was David Holston, a manufacturing manager for RB Robot. He described RB's RB5X as performing two main tasks.

"It can be an educational tool, with excellent physics value because it can teach children about volume and movement. And you can also play games with it. Our robot can keep score because it has artificial intelligence," he explained.

Unlike Androbot, RB's basic robot is controlled by a tiny chip called an EPROM, short for "erasable programmable read-only memory." Holston said his company has sold over 800 RB5X's in the 1⅓ years the $2,295 unit has been on the market. The price is for the basic model, additional pieces are extra.

He foresaw a bright future for his product, despite its current relatively high price. "By 1990, four out of every 10 homes will have a robot."

"We are part of the beginning," he said. "We can tell our grandchildren we built the first robot."

Most retailers use open racks to show software

(Continued from page 78)

some retailers using both methods.)

Conventional wisdom holds that merchandising by subject matter is more convenient for customers. Record and videocassette stores stock by grouping albums or tapes according to type of entertainment rather than label.

A difference of opinion also was evident when retailers were asked how their software was displayed. Taken as a group, 44.1 percent of 115 respondents said most of their software was shown on open shelves or racks. Locked cases came in second with 37.7 percent of the total. Point-of-purchase displays followed with 14.9 percent, and other methods accounted for 3.3 percent of the total.

But open shelves and racks were not the across-the-board choice. Both single- and multi-unit electronics operations preferred the display method, but 68.9 percent of these mass merchandisers polled said they primarily use locked cases. Their choice can perhaps be attributed to the higher shrinkage and security problems that plague larger, chain operations.

As for training the staff, 73.4 percent of those asked said they rely on a combination of books, literature and training manuals.

In responding to the question "Which of the following do you use to train employees in selling computer merchandise?" 58.7 percent of the 143 replies listed manufacturers' aids as the second most popular choice for training employees. Following were aids from distributors with 52.4 percent of the total; classes, with 44.8 percent; videotapes, with 38.5 percent, and other methods, with 6.3 percent.

Using more than one method, here again, caused the total percentage to exceed 100 percent.

The questionnaire asked retailers to elaborate on how important demonstration tapes and videos are in selling computer products. Almost 45 percent (44.2) of 145 retailers said such demonstrations are very important while 25.5 percent said they are only moderately important. Almost 20 percent (19.3) thought tapes and videos were valuable and only 11 percent felt they held no value whatsoever.

Entertaining should be a dress-up occasion.

It's Oak Classics, the striking collection of entertainment furniture that combines the rich warmth of solid oak and oak veneers. The detailing leaves nothing to be desired, nor does the hand-rubbed finish. The entire collection is modular, so the numerous pieces can be sold individually or in any arrangement that is most pleasing to your customers and most profitable for you.

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JULY 1984

Merchandising

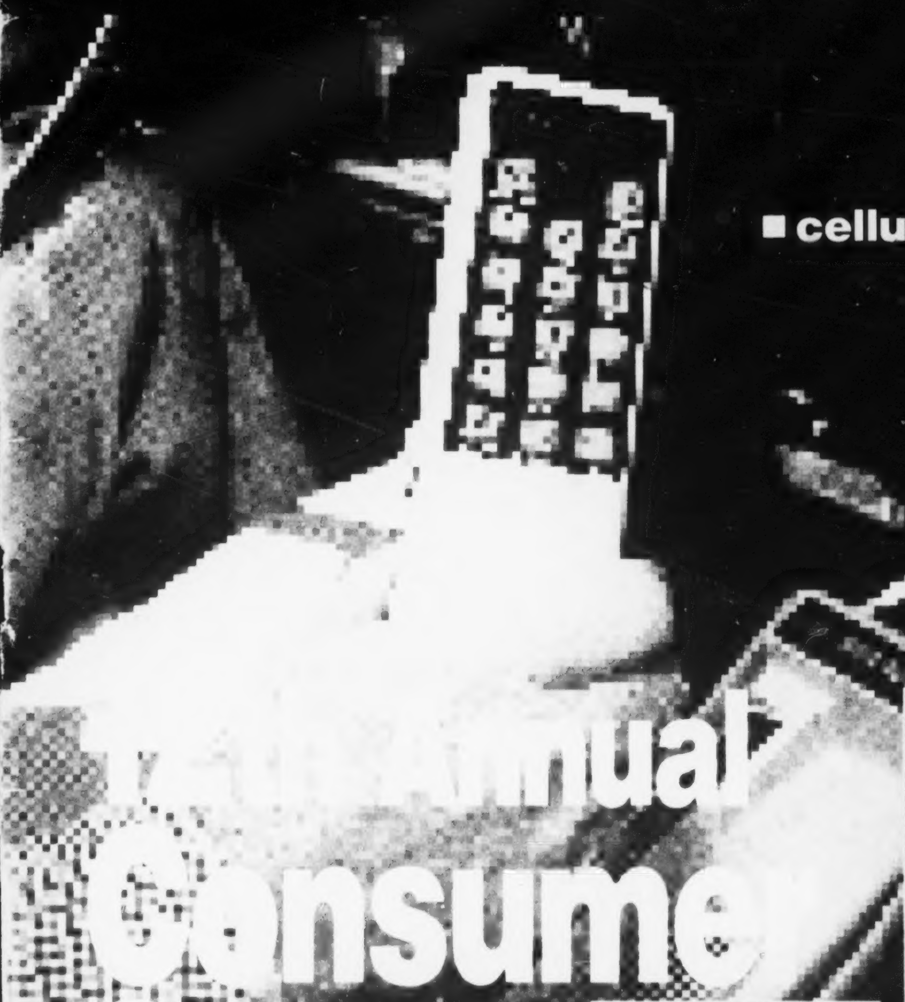
Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Look what phones can do now!

- multi-featured models build a new market
- cellular units hit the road in force in many cities
- cordless gets new channels to grow on
- handsets wed answerers in high-tech rites

...and the business continues to grow



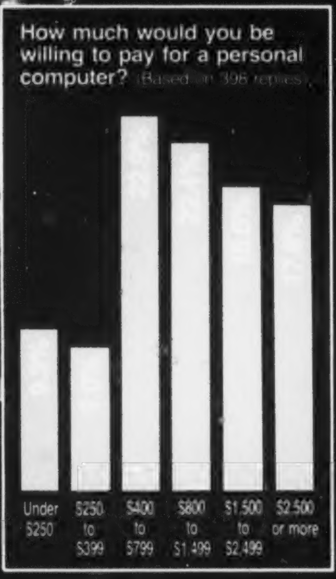
[illegible] Annual Consumer Survey

1,733 shoppers tell how they'll spend their dollars in the year ahead

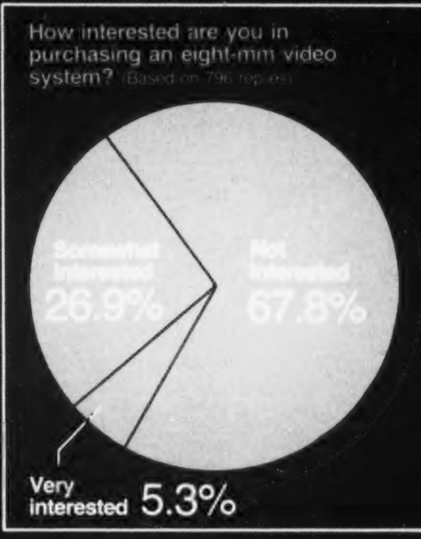
If you own a microwave oven, would you consider trading it in for one with additional features?
(Based on 352 replies)

Yes	37.8%
No	62.2%

How much would you be willing to pay for a personal computer? (Based on 398 replies)



How interested are you in purchasing an eight-mm video system? (Based on 796 replies)



If you expect to purchase cookware in the next 12 months where will you buy it?

Discount store	28.6%
Department store	26.4%
Specialty housewares store	18.3%
Catalog showroom	14.5%
Sears, Penney's type store	14.3%
Other outlets	3.1%

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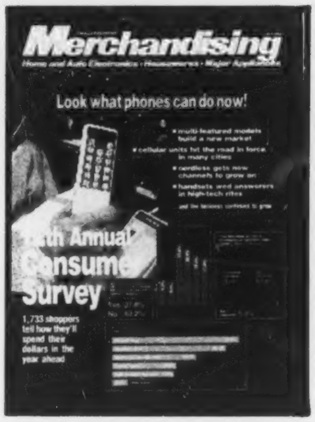
Merchandising
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Look what phones can do now!
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12th Annual Consumer Survey
1,733 shoppers tell how they'll spend their dollars in the year ahead

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Twelfth Annual Consumer Survey

Buying plans continue strong among this group of 1,733 shoppers

The mood continues upbeat. The 1,733 shoppers interviewed in late spring by *Merchandising* pollsters indicated that the purchasing power they have been wielding for the past year or so is not losing strength. Signs are that the shopping spree will continue.

Although the results of this year's survey are not directly comparable with those of previous years, a casual look at the results for 1983 and 1984 reveal some interesting information. Here are some highlights:

Consumer Electronics

TV's: Demand is holding about even with last year (which broke all records). Plus, more than half of the shoppers polled said they could get excited about stereo broadcasting—perhaps even excited enough to make an unplanned purchase.

VCR's: The force is growing. Ownership is up, yet the percentage of shoppers planning to buy is up too. More good news: The shoppers are more *feature* than *price* conscious.

Videodiscs: This category is taking a breather. Laser has still not taken off (although the new music videos and interactive games will help), and RCA's abdication of the CED format is going to hurt the category as a whole for a while. Hardly any shoppers plan to buy.

Projection TV: Fewer people plan a purchase. Because of its size and price, the product remains a very special one that attracts only a limited number of customers.

Prerecorded Videocassettes: As the installed base of VCR's continues to expand, the average number of tapes owned is holding steady. More people, however, plan to buy this year. Rental is still king, and the percentage of people renting is up as is the number of tapes they plan to rent.

Blank Videotape: VCR owners are buying more: Those purchasing 10 or more units will climb this year.

Blank Audiotape: While fewer cassette player owners plan to buy blank tape, those who do are buying more. And quality is becoming more, price less important.

High Fidelity: Purchase plans are off slightly from the previous year. Still, more than 10 percent of the shoppers plan to buy.

Compact Disc Players: Just starting out, this young product should be purchased by a growing number of the consumers this year as the word spreads and prices fall.

Car Stereo: Plans to buy are off somewhat. But those who buy will spend more. And there appears to be a notable decline in the number of people who would automatically buy the model that comes with the car.

Personal Portable Stereo: As the category matures, purchase plans have slipped and people expect to pay less for the product.

Videogames: A product on hiatus, videogames will be purchased by fewer and fewer consumers this year, and almost half of the videogame owners will buy no new cartridges. This is truly a product in need of some excitement.

Personal Computers: About the same percentage of people as last year expect to buy. But they expect to pay more. And more than a third say they don't need a computer specialty store to hold their hand—they'll shop at the same place where they bought their TV, VCR or videogame.

Calculators: Saturation continues to increase, but so do purchase plans. The product has become a true commodity, even though the average shopper still plans to spend $55.38 for his calculator.

Quarts Watches: More than half the shoppers own one. And many still plan to buy one in the next 12 months. It's about evenly divided between analog and digital models.

Telephones: More than half of this group owns at least one phone. And the number of shoppers planning to buy is still holding steady, even though people do expect to pay less. As for cordless models, fewer purchases are planned, perhaps partly as a result that some 28 percent of the current owners are not happy with the product.

Major Appliances

Air Conditioners: Although the polling was done before the early summer heat wave hit the East Coast and sent sales through the roof, more consumers still said they were planning to buy a unit this year. The sad part is that almost half of the people don't appear to know about EER's, and that many of those who are aware still don't seem to care when it comes to making a purchase.

Microwave Ovens: Saturation among this group is up to almost 42 percent from last year's group with 38.5 percent. Yet plans to purchase are off only a bit. Consumers do, however, expect to spend less—down to an average $356.87 this year compared with $423.76 a year ago.

Other Appliances: Fewer consumers are planning to buy basic major appliances in the next 12 months than in the group polled last year, perhaps signaling a coming plateau in what has been a booming industry for the past year. The biggest winners in the months to come will be clothes dryers, washers and dishwashers. What do consumers think about the new colors? See page 26.

Housewares

Cookware: Glass and stainless steel come out on top this year. And discount stores are coming on strong, largely at the expense of department stores.

Food Processors: Saturation is up; still, a substantial number of the shoppers plan to buy one in the next 12 months, paying a respectable $113.39, on the average.

Personal Care: Most popular are bathroom scales, hair dryers and shavers. Blood pressure monitors are taking off too.

Kitchen Electrics: Hot products here are coffee makers, electric woks, blenders, food slicers, can openers and irons. More than a quarter of the shoppers polled own a space saving appliance and 16.4 percent plan to buy one in the next 12 months.

Air Purifiers: Purchase plans are holding about steady, but people are willing to spend more: an average $47.50.

Fans: More people say they will buy in the next 12 months, with ceiling fans way out in front. Again, this information preceded the heat wave.

Clocks: Most popular by far are analog kitchen wall clocks and digital clock radios.

Grills: Purchase plans are up, with charcoal remaining the most popular.

Vacuums: Many more people are planning a purchase, and much of the action will continue in the booming handheld category.

For more details, just keep reading. The following 18 pages will tell you all you need to know about how this particular group of shoppers views the next 12 months —and what you can do to get ready for them.

—**Lee Rath**
editor

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Statistical Matter for this survey was collected and compiled by **Selma Book**, market research manager, and **Matea Esguerra** and **Pat Jagbandhansingh**, research associates. They were aided by **Liza Sunga**, **Renee Weil**,

1,733 shopper represent a cross-section of America

A grand total of 1,733 shoppers were interviewed for this year's consumer survey by more than 20 pollsters operating in every region of the nation. Interviews were conducted during April and May in shopping centers, malls, city streets—anywhere consumers could be found with buying on their mind.

As a result, we hasten to point out, this sample is not projectable to the population at large. Those people interviewed for this survey were in a shopping district. Chances are, they had money to spend and were out selecting merchandise and making purchases. Hence, the results would tend to skew higher than what might be the national average.

Two mini-questionnaires were used in taking this year's poll. Half the respondents were queried about consumer electronics products, half about major appliances and housewares. Due to the importance of two emerging categories—computers and telephones—all 1,733 shoppers were asked questions about these products.

The results, printed on the following pages, should give an idea of what's on these consumers' shopping lists this year. What purchases are they going to be making in the next 12 months? What features are they going to be looking for on those products? How much are they willing to pay? These are among the questions our poll has tried to answer.

We've also attempted to measure consumer attitudes about products ranging from room air conditioners to computers to portable air filters. What does the consumer think about when he enters the market for one of these items? What's important to him? And, just as importantly, what's not?

We found the average respondent this year would probably be a woman between the ages of 30 and 39. She lives in a suburb of a western city with her husband. Chances are good they do not have children. But if they did, they would have one or two. Total household income is probably around $30,000, and the woman is likely to work outside of the home.

While this might paint a picture of the average consumer, the response was incredibly broad. People were interviewed from the East Coast to the West Coast, from the Canadian to the Mexican borders. Households included from one person to six or more. People lived in cities, suburbs, towns or villages and rural areas. And incomes ranged from under $10,000 to well over $50,000.

Although the results of this year's poll are not directly comparable to those in surveys *Merchandising* has done in previous years (this is our twelfth annual Consumer Survey), some interesting comparisons can be made.

For one thing, unemployment among our shoppers is down to 7.1 percent this year from 10.2 percent last year. We also find that household income is up. This year, 51.4 percent reported earnings $30,000 or more, compared with 43.8 percent last year.

This bodes well for retailers who, obviously, should be encouraged by the increase in the number of employed, well-paid shoppers in the marketplace.

After all, 1983 was an excellent year for almost all of the products covered in this survey. With the consumers this year even stronger and more confident, can '84 be anything but better? ●

—Lee Rath
editor

Characteristics of the Sample

Replies: By employment status

	Number of replies	Percent of replies
Employed	1,239	71.5%
Homemaker	270	15.6%
Student	68	3.9%
Military	14	0.8%
Retired	18	1.1%
Unemployed	123	7.1%

Replies: By number of persons in household

	Number of replies	Percent of replies
One	311	18.0%
2 to 3	915	52.8%
4 to 5	449	25.9%
6 or more	57	3.3%

Replies: By number of children* in household

	Number of replies	Percent of replies
No children	1,040	60.0%
1 child	394	22.8%
2 to 3 children	282	16.3%
4 or more	16	0.9%

*Under 16 years of age

Replies: By location of residence

	Number of replies	Percent of replies
City	588	34.0%
City suburb	812	46.9%
Town or village	243	14.0%
Other rural	89	5.1%

Replies: By marital status

	Number of replies	Percent of replies
Married	1,014	58.5%
Divorced/Separated	235	13.6%
Widowed	107	6.2%
Single	376	21.7%

Replies: By age

	Number of replies	Percent of replies
Under 21	69	4.0%
21 to 29	436	25.2%
30 to 39	487	28.1%
40 to 49	363	20.9%
50 to 64	282	16.3%
65 and over	95	5.5%

Replies: By sex

	Number of replies	Percent of replies
Female	1,004	58.0%
Male	728	42.0%

Replies: By household income, by region

	Percent of replies*					
	Total	Northeast	North Central	South Atlantic	South Central	West
(Number of replies)*	(1,653)	(367)	(354)	(275)	(275)	(382)
Under $10,000	4.6%	4.4%	4.0%	4.0%	9.5%	2.6%
$10,000 to $19,999	20.0%	13.4%	23.4%	19.3%	30.2%	16.2%
$20,000 to $29,999	24.0%	19.6%	29.7%	24.0%	24.0%	22.8%
$30,000 to $39,999	24.0%	27.5%	24.6%	24.7%	18.5%	23.3%
$40,000 to $49,999	14.8%	20.7%	10.4%	14.5%	10.2%	16.8%
$50,000 or more	12.6%	14.4%	7.9%	13.5%	7.6%	18.3%

*Excludes no answer.

Replies: By geographic region

Region	Number of replies	Percent of replies	Percent of electrically wired homes in region*
Northeast (New England/ Middle Atlantic)	367	21.2%	20.3%
North Central (East and West North Central)	362	20.9%	25.7%
South Atlantic	331	19.1%	17.2%
South Central (East and West South Central)	282	16.3%	17.4%
West (Mountain/ Pacific	390	22.5%	19.4%
Total	**1,732**	**100.0%**	**100.0%**

*Source: Edison Electric Institute for 3rd Quarter of 1983.

Videogames look to rebound from stagnant period

If the videogame industry isn't dying, as many manufacturers insist, then it has probably at least reached a plateau. While 27.2 percent of the 860 shoppers polled by *Merchandising* said they currently own a videogame console, only 3.8 percent of the responding group said they plan to buy a unit in the next 12 months. The total number of households polled that will have a console will be 29.1 percent, according to the survey.

The reason why the figures leave significant room for improvement is that in earlier surveys, far more of the shoppers questioned said they expected to own some kind of system.

Reasons for the drop in 1984 can only be speculated upon, but probably one of the main reasons for the softness in videogames is the lack of revolutionary new titles. Long gone are the days when children would line up at the arcade parlor to play Pac-Man and Donkey Kong.

This theory is supported in the chart below which asks shoppers to state why they aren't considering buying a videogame console. Out of 731 replies, 63.3 percent said they were just not interested.

Whether or not these people bought and then discarded a console or won't buy one because they simply don't like to play videogames cannot be answered. What can be said, however, is that if the videogame console suppliers want to keep their customers happy they would be wise to develop a new product that would recapture the magic the category once had.

On the software side, the majority of the 231 shoppers who currently own a videogame console said they would buy from five to nine cartridges in the next 12 months. This 32.9 percent figure seems to indicate that people will continue to play games—but only if the games are interesting. ●

—Frank Cavaliere
assoc. ed. / computers & personal electronics

Videogames

Where did you / would you purchase your videogame?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(232)	(546)
Discount store	26.7%	34.2%
Department store	20.7%	12.1%
Sears, Penney's type store	19.4%	20.5%
Electronics store	6.9%	15.4%
Catalog showroom	6.5%	8.2%
Appliance/TV store	3.4%	7.0%
Hifi specialty store	2.2%	1.6%
Other outlets	14.2%	2.7%
Total	100.0%	*

*Does not add to 100% because of multiple replies.

Expected change (%) in videogame ownership in the next 12 months

	Percent of replies*
Now own	27.2%
Will buy in next 12 months	3.8%
Will own in next 12 months	29.1%
	**

Expected percent change in ownership: +6.8%

*860 replies
**Seventeen respondents (2.0%) now own and plan to buy in next 12 months

How much would you be willing to pay for your videogame?

	Percent of replies*
Under $30	14.7%
$30 to $74	30.5%
$75 to $149	30.5%
$150 to $199	14.7%
$200 or more	9.6%
Average: $95.87	

*95 replies

If you do not expect to purchase a videogame in the next 12 months, why not?

	Percent of replies*
Not interested	63.3%
Already own one	23.9%
Prefer a computer	7.9%
Too expensive	6.4%
Other reasons	1.1%
	**

*731 replies
**Does not add to 100% because of multiple replies.

If you own a videogame, how many videogame cartridges do you own? How many do you expect to purchase in the next 12 months?

	Percent of replies	
	Own now	In next 12 months
(Number of replies)	(231)	(217)
1 to 4	20.8%	35.9%
5 to 9	32.9%	18.0%
10 to 19	30.3%	3.7%
20 or more	12.5%	0.0%
One or more	96.5%	57.6%
None	3.5%	42.4%

Stereo sound is expected to bring added life to the TV market

A notable 31 percent of the consumers polled by *Merchandising* said they plan to buy a television set this year. While 87.2 percent of the sample have their hearts set on a color model, black and white TV's are still in the picture.

The TV market has been fueled by a rebound in the economy and a strong replacement business.

In addition, televisions are not just used to watch soap operas and such programs as Dynasty. The VCR boom and computer bug that have captured the American public have also prompted many people to take a closer look at the picture quality that their battered old TV's produce. This has sent swarms of consumers to the stores for new TV's.

While picture quality ranks first in purchasing a new set, sound quality is also considered when making a purchase. If TV programs were broadcast in stereo, 52 percent of those polled said that their next TV bought would be stereo equipped. While 39.1 percent said they would not buy a stereo TV, 8.9 percent remained undecided.

Since the Federal Communications Commission (FCC) has approved the Zenith transmission system and the dbx noise reduction system as the standard for stereo broadcasting for the industry, it looks like the networks may soon be gearing up to produce everything from concerts to talk shows in stereophonic sound. This will bring added life back into the color TV market.

The recently introduced Beta and VHS hifi videocassette recorders also tie in with the upcoming stereo TV's. When the networks get in gear, consumers will be able to tape their favorite programs off the air in stereophonic sound.

How much are consumers willing to shell out for a new TV? A whopping 37.8 percent were willing to fork out $300 to $499 while 24.4 percent were willing to pay $500 to $699. Some 14.4 percent of those polled were willing to part with $700 or more for a new TV while 18.3 wanted a television for $100 to $299. The remainder, 5.1 percent of the sample, only wanted to take under $100 out of their pockets to obtain the product.

It's likely that many shoppers will continue to upgrade their TV's as the video boom grows. And it looks like 1984 will be a banner year in sales. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

TV

Do you expect to purchase a TV in the next 12 months?

	Percent of replies*
Yes	31.0%
No	69.0%

*860 replies

If you expect to purchase a TV in the next 12 months, will it be color or B&W?

	Percent of replies*
Color TV	87.2%
Black-and-white TV	13.6%

*265 replies. Includes two respondents who plan to buy both.

If TV programs were broadcast in stereo, would the next TV that you purchase be stereo equipped?

	Percent of replies*
Yes	52.0%
No	39.1%
Undecided	8.9%

*860 replies

How much would you be willing to pay for your TV?

	Percent of replies*
Under $100	5.1%
$100 to $299	18.3%
$300 to $499	37.8%
$500 to $699	24.4%
$700 or more	14.4%
Average: $452.41	

*312 replies

Lack of interest haunts videodisc player business

It looks like interest in videodisc players is continuing at a low level. With the demise of RCA's CED players, even fewer consumers are searching the shelves for videodisc players.

The one format that manufacturers are still banking on is laser. As the product improves and becomes more interactive, perhaps it will gain more consumer acceptance. The interest in compact disc players has also directed more attention to laser.

Two percent of those shoppers polled by *Merchandising* already own videodisc players but only 0.1 percent plan to buy one within the next 12 months. This would only produce a 5.9 percent change in ownership.

When asked why they do not plan to purchase a videodisc player, the majority, 50.3 percent, declared they were simply not interested. Some 17.6 percent said that they already own a VCR and therefore did not want a videodisc player.

Another 14.1 percent of those queried said that videodisc players were too expensive to fit within their budgets.

Surprisingly 11.7 percent were not familiar with the product. Yet other reasons were cited by 10.8 percent of the respondents for not buying a videodisc player.

Some 28.6 percent of the shoppers said they would be willing to pay under $150 for a videodisc player and the same percentage of shoppers were also willing to shell out $150 to $299 for the product. Another 25.7 percent were willing to slap down $300 to $499 while 17.1 percent were willing to pay $500 or more for the product.

While videodisc sales have been disappointing in many parts of the country, there are some factors that could very well help the product take off. The increased interest in music videos, for example, could help spur sales. Music videos have captured the hearts of the younger generation and many of these people are not interested in the time shifting capabilities of videocassette recorders. A videodisc player may be just the answer to their needs.

At the Consumer Electronics Show, Pioneer displayed a Laser Disc jukebox which could stack up to 60 eight-in. discs. With a maximum playing time of up to 40 minutes per disc, the system can play up to 2,400 minutes of music or up to 600 music videos.

Since the product will be placed in bars and restaurants it will draw added attention to the laser format. When consumers see and hear their favorite music at the bars, they may start thinking about a laserdisc player for home use.

Also, interactive videogames, such as the popular arcade hit Dragon's Lair, may put more pizzazz into videodisc players. Although the overall videogame market is suffering from turmoil, laser videogames still hold promise. One manufacturer has already developed an interactive videodisc game which takes consumers through adventures. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Videodisc Players

Expected change (%) in videodisc player ownership in the next 12 months

	Percent of replies*
Now own	2.0%
Will buy in next 12 months	0.1%
Will own in next 12 months	2.1%

Expected percent change in ownership: +5.9%

*860 replies

How much would you be willing to pay for a videodisc player?

	Percent of replies*
Under $150	28.6%
$150 to $299	28.6%
$300 to $499	25.7%
$500 or more	17.1%
Average: $301.44	

*35 replies

If you do not own a videodisc player and do not expect to purchase one in the next 12 months, why not?

	Percent of replies*
Not interested	50.3%
Already own a VCR	17.6%
Too expensive	14.1%
Not familiar with it	11.7%
Other reasons	10.8%
	**

*743 replies
**Does not add to 100% because of multiple replies.

High prices, lack of room affects projection TV sales

It appears that high prices and a lack of room have kept many consumers from purchasing projection TV's. But as prices continue to slide and models are designed to occupy less space, the market should take a turn for the better.

Only 2.3 percent of those shoppers polled said that they plan to purchase a projection television this year. These consumers represent a very distinct audience—decidedly upscale.

Already, 4.4 percent of the group own a projection TV. If the shoppers who noted that they will acquire a projection TV in the next 12 months hold true to their plans, this will produce a 52.6 percent change in ownership.

How much are consumers willing to pay for a projection television? Some 30.1 percent of those polled are willing to shell out $1,000 to $1,499. Since 27.4 percent of the shoppers queried would only part with $500 to $999 for a giant screen TV, it appears that many consumers are not even aware of the costs of these models. In addition, 8.2 percent were only willing to fork out under $500 for the product.

Why aren't consumers flocking to the stores for projection TV's? More than a third, 39.9 percent, stated that they were simply not interested. High costs were cited by 33.5 percent of the group, and 27.7 percent of those queried simply don't have the room for a large screen model.

Poor picture quality was another deterrent to sales, since 15.9 percent said this prevented them from taking the plunge into the projection TV market. Another 4.5 percent are living in the Dark Ages and are not familiar with the product. The remaining 0.9 percent said other reasons kept them from taking a projection TV home.

Many of these problems are being alleviated by the manufacturers now. Picture quality on many of the units introduced at the June Consumer Electronics Show was dramatically improved. Newer models are also coming down in price. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Projection TV

Expected change (%) in projection TV ownership in the next 12 months

	Percent of replies*
Now own	4.4%
Will buy in next 12 months	2.3%
Will own in next 12 months	6.7%

Expected percent change in ownership: +52.6%

*860 replies

How much would you be willing to pay for your projection TV?

	Percent of replies*
Under $500	8.2%
$500 to $999	27.4%
$1,000 to $1,499	30.1%
$1,500 to $2,499	23.3%
$2,500 or more	11.0%
Average: $1,245.20	

*73 replies

If you do not have a projection TV and do not expect to purchase one in the next 12 months, why not?

	Percent of replies*
Not interested in it	39.9%
Too expensive	33.5%
Don't have the room	27.7%
Don't like the quality of the picture	15.9%
Not familiar with it	4.5%
Other reasons	0.9%
	**

*772 replies
**Does not add to 100% because of multiple replies.

VCR ownership is on the upswing as prices plunge

With prices dipping downward as performance becomes better than ever, it looks like the VCR is well on its way to becoming a standard fixture in American households.

Slightly more than one fourth of the consumers polled, or 26 percent, already own a VCR. Another 17.8 percent plan to buy one this year which would produce a 68.3 percent change in ownership.

How important is stereo sound as a consideration to consumers when purchasing a VCR? Very important, according to 24.4 percent of the shoppers. While 32.7 percent of those queried said that stereo sound was unimportant, the majority, or 42.9 percent, ranked it as somewhat important.

Beta hifi machines are already making a strong mark. VHS hifi units have just started shipping, and are in high demand. But when stereo TV's begin to carve a niche in the market, hifi sound will become more and more important to VCR owners across the country.

When buying a VCR, the majority of the shoppers, 47 percent, ranked features as the most important factor. Some 38 percent of the consumers rated price as a top priority when selecting a videocassette recorder.

Of those who already own VCR's, 25.4 percent have already purchased video cameras. Another 26.8 percent plan to buy one within the next 12 months, which will create a 105.2 percent change in ownership.

However, it looks like the manufacturers need to do a better job in educating consumers on the merits of camcorders. The majority of those polled, 60.4 percent, said that they were not interested in the product. Only 11.3 percent were very interested while 28.3 percent were somewhat interested.

Eight-mm video is another product category that many consumers don't quite understand. However, 5.3 percent of the shoppers stated they were very interested in the product. The majority, 67.8 percent, were not interested while 26.9 percent said they were somewhat interested.

Some manufacturers are concerned that all of the hype over the upcoming eight-mm format may create consumer confusion and could bite heavily into portable video sales. The outcome for eight mm remains to be seen but the product could find its own niche in the booming video market.

When the product becomes available, price will be a strong consideration to purchasers. The initial eight-mm systems are slated to retail for about $2,000. However, the majority of those polled, 29 percent, said they would be willing to put $500 to $999 towards owning a system. Only 7.9 percent said they would count out $1,000 or more for the product.

It is also interesting to note where consumers are shopping for video products. The survey shows that 22.6 percent of the shoppers who plan to buy a VCR would walk into a video specialty store. A discount store was selected by 21.9 percent of the consumers while a Sears/Penney's type of store would be the preferred outlet for 16.1 percent of future VCR purchasers.

Evidently the video specialty store is catering to the needs of a slew of consumers who are very concerned about product features. Since these shoppers still have a lot of learn about VCR's, they're willing to shell out a few extra bucks to obtain the service and education that they feel they deserve.

With six to seven million VCR's expected to be shipped in 1984, many manufacturers are keeping their fingers crossed for market penetration to hit 20 percent by the end of the year. This would produce a doubling of VCR ownership. ●

—Stephanie Flory
sr. assoc. ed/video-audio

Videocassette Recorders

Expected change (%) in VCR ownership in the next 12 months

	Percent of replies*
Now own	26.0%
Will buy in next 12 months	17.8%
Will own in next 12 months	43.8%
Expected percent change in ownership:	+68.3%

*860 replies

How much would you be willing to pay for a VCR?

	Percent of replies*
Under $300	9.1%
$300 to $499	42.7%
$500 to $800	35.5%
$800 or more	12.7%

Average: $507.84

*197 replies

How interested are you in purchasing an eight-mm video system?

	Percent of replies*
Very interested	5.3%
Somewhat interested	26.9%
Not interested	67.8%

*796 replies

If you do not have a VCR and do not expect to purchase one in the next 12 months, why not?

	Percent of replies*
Not interested in it	51.0%
Too expensive	45.4%
Not familiar with it	7.5%
Other reasons	6.1%
	**

*441 replies
**Does not add to 100% because of multiple replies.

How important is it that your VCR have stereo sound?

	Percent of replies*
Very important	24.4%
Somewhat important	42.9%
Unimportant	32.7%

*783 replies

Where did you / would you purchase your VCR?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(220)	(627)
Video specialty store	24.5%	22.6%
Sears, Penney's type store	17.3%	16.1%
Department store	15.9%	10.5%
Appliance/TV store	15.5%	14.4%
Hifi specialty store	10.0%	8.5%
Discount store	8.2%	21.9%
Catalog showroom	4.1%	5.7%
Other outlets	4.5%	3.5%
	*	*

*Does not add to 100% because of multiple replies.

What is the most you would be willing to pay for an eight-mm video system?

	Percent of replies*
Under $150	8.3%
$150 to $249	27.2%
$250 to $499	27.6%
$500 to $999	29.0%
$1,000 or more	7.9%

Average: $419.75

*228 replies

What are the most important factors for you in choosing a VCR?

	Percent of replies*		
	Main factor	Second factor	Third factor
Features	47.0%	32.9%	16.0%
Price	38.0%	35.6%	20.3%
Brand name	10.8%	22.2%	53.3%
Other factors	4.2%	3.4%	1.2%
None indicated	—	5.9%	9.2%

*595 replies

Expected change (%) in video camera ownership in the next 12 months

	Percent of replies*
Now own	25.4%
Will buy in next 12 months	26.8%
Will own in next 12 months	52.2%
Expected percent change in ownership:	+105.2%

*224 replies

How much would you be willing to pay for a video camera?

	Percent of replies*
Under $200	9.1%
$200 to $399	20.0%
$400 to $699	41.8%
$700 to $999	17.3%
$1,000 or more	11.8%

Average: $559.55

*110 replies

How interested are you in purchasing a camcorder?

	Percent of replies*
Very interested	11.3%
Somewhat interested	28.3%
Not interested	60.4%

*787 replies

More consumers are buying blank and prerecorded videocassettes

It's a fact. Blank tape sales have taken off like gangbusters this year. The main reasons: The number of VCR owners is on the upswing.

Although most of those shoppers polled, or 24.6 percent, only purchased one to four videotapes in the past year, these consumers plan to boost their blank tape purchasing significantly within the next 12 months. The majority, 28.3 percent, said that they expect to carry home 10 to 19 blank tapes during that period.

They should find their shopping easy. There are a lot more names in the blank tape market to choose from. Kodak and Polaroid are now in the business and have already gained significant distribution.

And the blank tape business has mushroomed out from the video specialty stores into just about every retail outlet imaginable. The supermarkets have captured a significant amount of the market as have the mass merchandisers.

Since prices have dropped to the $39.95 point in prerecorded movies and music videos have hit the scene, more consumers are adding their favorite tapes to their home libraries. Some 65.1 percent of the VCR owners polled have purchased one or more prerecorded tapes.

Although the majority, or 29.7 percent own one to four prerecorded tapes, it is interesting to note that three percent of the sample own 30 to 49 tapes while 2.2 percent have 50 or more in their home library.

In the next 12 months, 64.6 percent of those queried plan to buy one or more prerecorded tapes. Some 23.9 percent of the group will purchase one to four.

Recent movies (1981 or later) will be purchased by 40.8 percent of the sample while older movies (pre-1981) will be bought by 30.3 percent. Music videos, a new category, will be swept up by 10.1 percent. Nine percent plan to purchase educational/instructional tapes.

However, rentals still dominate the prerecorded tape market, so it's no surprise that 88.2 percent of the shoppers have rented one or more. Some 22.4 percent plan to rent 10 to 19 tapes within the next 12 months and 11.8 percent plan to view a whopping 50 or more tapes.

As for the future, with the VCR market nothing short of spectacular, it's only natural that both blank and prerecorded tape sales should follow suit. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Videotape

If you own a VCR, what portion (%) of the prerecorded videotapes that you plan to rent in the next 12 months will each of the following account for?

	Percent of prerecorded videotapes rented in next 12 months**
Recent movies (1981 or later)	50.0%
Older movies (pre-1981)	25.2%
X-rated	10.0%
Educational/instructional	7.1%
Music	7.1%
Other	0.6%

*212 replies
**Total number of prerecorded videocassettes: 5,309

Average for those VCR owners buying any blank videotapes in the past 12 months or planning to purchase any in the next 12 months

	In past 12 months	In next 12 months	Percent change
(Number of purchasers)	**(191)**	**(188)**	**(−1.6%)**
Average number of blank videotapes per purchaser	8.1	8.9	+9.9%
Total blank videotapes purchased (all purchasers)	1,548	1,667	+7.8%

If you own a VCR, of the videotapes that were purchased blank, how many did you buy in the past 12 months? How many do you expect to purchase in the next 12 months?

	Percent of replies*	
	In past 12 months	In next 12 months
1 to 4	32.7%	21.3%
5 to 9	23.9%	25.7%
10 to 19	20.8%	28.3%
20 to 29	4.4%	5.3%
30 to 49	1.3%	1.3%
50 or more	1.3%	1.3%
One or more	84.5%	83.2%
None	15.5%	16.8%

*226 replies

If you own a VCR, how many videotapes do you own that were purchased blank?

	Percent of replies*
1 to 4	24.6%
5 to 9	20.5%
10 to 19	22.3%
20 to 29	9.4%
30 to 49	4.5%
50 or more	4.0%
One or more	85.3%
None	14.7%

Average for those buying any blank videotapes: 12.4

*224 replies

If you own a VCR, how many prerecorded videotapes do you own?

	Percent of replies*
1 to 4	29.7%
5 to 9	11.2%
10 to 19	13.8%
20 to 29	5.2%
30 to 49	3.0%
50 or more	2.2%
One or more	65.1%
None	34.9%

Average for those owning prerecorded videotapes: 11.1

*232 replies

If you own a VCR, of your prerecorded videotapes, how many did you buy in the past 12 months? How many do you expect to purchase in the next 12 months?

	Percent of replies*	
	In past 12 months	In next 12 months
1 to 4	33.5%	23.9%
5 to 9	12.9%	19.2%
10 to 19	14.4%	17.7%
20 to 29	1.4%	1.9%
30 or more	1.9%	1.9%
One or more	64.1%	64.6%
None	35.9%	35.4%

*209 replies

If you own a VCR, how many prerecorded videotapes did you rent in the past 12 months? How many do you expect to rent in the next 12 months?

	Percent of replies	
	In past 12 months	In next 12 months
(Number of replies)	**(249)**	**(237)**
1 to 4	11.2%	9.3%
5 to 9	12.1%	13.5%
10 to 19	23.3%	22.4%
20 to 29	12.5%	17.7%
30 to 49	9.2%	13.5%
50 or more	8.4%	11.8%
One or more	76.7%	88.2%
None	23.3%	11.8%

If you own a VCR, what portion (%) of the prerecorded videotapes that you plan to purchase in the next 12 months will each of the following account for?

	Percent of prerecorded videotapes purchased in next 12 months**
Recent movies (1981 or later)	40.8%
Older movies (pre-1981)	30.3%
Music	10.1%
Educational/instructional	9.0%
X-rated	8.7%
Other	1.1%

*137 replies
**Total number of prerecorded videocassettes: 1,106

Average for those VCR owners buying any prerecorded videotapes in the past 12 months or planning to purchase any in the next 12 months

	In past 12 months	In next 12 months	Percent change
(Number of purchasers)	**(134)**	**(135)**	**(+0.7%)**
Average number of prerecorded videotapes per purchaser	6.7	7.3	+9.0%
Total prerecorded videotapes purchased (all purchasers)	895	985	+10.1%

Average for those VCR owners renting any prerecorded videotapes in the past 12 months or planning to rent in the next 12 months

	In past 12 months	In past 12 months	Percent change
(Number of renters)	**(191)**	**(209)**	**(+9.4%)**
Average number of prerecorded videotapes per purchaser	22.7	24.5	+7.9%
Total prerecorded tapes rented (all renters)	4,337	5,126	+18.2%

Consumers look for quality over price in blank audiotape

Quality is rated over price when purchasing blank audiocassettes, according to 64.4 percent of the shoppers polled by *Merchandising*.

Only 30.3 percent rated price as the top priority when searching the shelves for blank tape while 5.3 percent put brand name above everything.

Competition is hot in the blank audiotape market with virtually every type of retailer now in the business. Today, a shopper can find cassettes in grocery stores, neighborhood pharmacies and 24-hour convenience stores, to name but a few.

The majority of those shoppers polled, 58.4 percent, already own a cassette recorder. Many also have decks in their automobiles and own personal portable stereos. Some 25.1 percent of the cassette recorder owners purchased 10 to 19 blank audiocassettes within the past 12 months. And 27.4 percent plan to purchase that same number in the year ahead.

It's interesting to note that 11.4 percent of the consumers bought a whopping 50 or more blank audiocassettes within the past year. However only 1.1 percent plan to buy that many in the next 12 months.

High-grade audiotape is enjoying added action at retail as more shoppers recognize its merits. Manufacturers are offering more point-of-purchase aids to retailers to stress the merits of high-grade tape. This also helped put more profitability back into the category as a whole.

In addition, with more people getting ready to record off of compact disc players, they will want the best blank audiotape possible. This bodes well for high-grade.

To combat rampant price erosion in the market, blank tape vendors are offering more incentives to consumers than ever before. Instead of sitting back while retailers slash prices to the bone, they are promoting everything from buy-one-get-one-free incentives to special sweepstakes. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Audiotape

Do you own a cassette recorder?

	Percent of replies*
Yes	58.4%
No	41.6%

*860 replies

What are the most important factors for you when buying a blank audiocassette?

	Percent of replies*		
	Main factor	Second factor	Third factor
Quality	64.4%	28.7%	4.5%
Price	30.3%	41.7%	21.1%
Brand name	5.3%	20.9%	63.4%
None indicated	0.0%	8.7%	11.0%

*492 replies

If you own a cassette recorder, how many of your audiocassettes did you purchase blank in the past 12 months? How many do you expect to buy in the next 12 months?

	Percent of replies	
	In past 12 months	In next 12 months
(Number of replies)	(411)	(448)
1 to 4	13.4%	11.2%
5 to 9	20.7%	24.8%
10 to 19	25.1%	27.4%
20 to 29	12.9%	9.1%
30 to 49	8.5%	0.7%
50 or more	11.4%	1.1%
One or more	92.0%	74.3%
None	8.0%	25.7%

Compact disc players put pizzazz back into audio

It's no secret that the compact disc player has been pegged as *the* product that will bring new life back into the audio market. But it looks like it's going to take some time for digital audio to take hold in consumers' homes.

Part of the problem is the price of the product. But prices are already falling dramatically and could very well hit the $300 mark in stores this year.

Another knotty point is consumer education. Believe it or not, there are a lot of folks out there who don't know what a CD player is.

A mere 1.9 percent of the shoppers polled already own a compact disc player. While the remaining 98.1 percent are still missing out on the merits of digital audio, some 2.4 percent of them do plan to purchase a CD player within the next 12 months.

The majority of the shoppers polled, 39.6 percent, are willing to spend $200 to $599 on a unit. Another 27 percent said they would be willing to pay $600 to $999, while 16.7 percent stated they would fork out $1,000 or more.

Another 16.7 percent of those queried, however, said they would only part with under $200 for a CD player, a price point not yet hit.

What else is stopping consumers from purchasing this marvelous device? Perhaps software availability is a problem in some areas. Other people realize that going digital means that they should really upgrade their entire audio system in order to fully appreciate a compact disc player's capabilities.

Many people feel that the compact disc player will eventually obsolete the record player much like the 33-1/3 r.p.m. record did to the 78 r.p.m. But never fear because it looks like the LP will still have a strong place with consumers, at least for the time being.

For those consumers who already own CD players, today software is being pressed in a lot more than just classical titles. Now fans of Billy Idol, Michael Jackson and Cindy Lauper can enjoy their favorite tunes in flawless digital music. And stores that only sell compact disc software are even beginning to appear on the scene.

Prices are also starting to dip on software. By the end of the decade, many people are betting that compact discs may plunge to the price of LP's.

Some 200,000 CD players are expected to be shipped this year, up from 35,000 units in 1983, according to figures from the Electronic Industries Association (EIA).

What features are consumers looking for in their CD players? Many are seeking remote control models to provide the ultimate in convenience.

Many models can also be programmed to play a particular song again and again or to skip over songs that the user does not want to hear. But more consumers need to be educated about these product benefits.

Car CD players, which are expected to be shipped soon, will bring added attention to the CD market. When consumers discover that they can also play their compact discs in their cars, sales should really start spinning.

Digital audiotape players are also in the offing and should also help jazz up the audio market. If digital audio can't get the audio market out of the doldrums, then nothing can. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Compact Disc Players

Is there a compact disc player in your household?

	Percent of replies*
Yes	1.9%
No	98.1%

*860 replies

Do you expect to purchase a compact disc player in the next 12 months?

	Percent of replies*
Yes	2.4%
No	97.6%

*860 replies

How much would you be willing to pay for a compact disc player?

	Percent of replies*
Under $200	16.7%
$200 to $599	39.6%
$600 to $999	27.0%
$1,000 or more	16.7%
Average: $530.73	

*48 replies

Many consumers are in the market for stereo

While it's no big news that the majority of consumers already own a stereo, it is significant to note that many people are now upgrading to higher quality systems.

Some 82.3 percent of those shoppers polled now own a hifi system and 11.2 percent plan to buy one in the next 12 months. If this occurs, it will create a 4.1 percent change in ownership.

Note, however, that 67 of the respondents (7.8 percent) already own a hifi system but plan to buy a new one. Perhaps these shoppers are already eyeing compact disc players and realize that they will need to upgrade their systems to completely enjoy digital music.

The majority of those who plan to purchase a new system, 82.1 percent, will buy components. Another 16.8 percent will opt for a compact system. Console systems will be purchased by 10.5 percent of the consumers (if they can find one).

The majority of the consumers polled, 33.6 percent, are willing to pay $300 to $599 for a system. Another 20.5 percent of the respondents are willing to shell out $600 to $999 while a significant 15.8 percent are willing to part with a whopping $1,000 to $1,999.

Over a third of the consumers, 42.2 percent, who plan to buy a new hifi system said they will shop in a hifi specialty store. Some 14.5 percent will scan the shelves of a Sears- or Penney's-type outlet for stereo systems while 13.9 percent will be looking for a bargain in a discount store. Catalog showrooms were cited as the desired place to buy a stereo by 4.6 percent of the shoppers. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

High Fidelity Systems

Expected change (%) in hifi ownership in the next 12 months

	Percent of replies*
Now own	82.3%
Will buy in next 12 months	11.2%
Will own in next 12 months	85.7%
	**

Expected percent change in ownership: +4.1%

*860 replies
**Sixty-seven respondents (7.8%) now own and plan to buy in next 12 months

If you expect to purchase a hifi system in the next 12 months, what type will it be?

	Percent of replies*
Component	82.1%
Compact	16.8%
Console	10.5%
	**

*95 replies
**Does not add to 100% because of multiple replies

How much would you be willing to pay for your hifi system?

	Percent of replies*
Under $200	8.2%
$200 to $299	15.1%
$300 to $599	33.6%
$600 to $999	20.5%
$1,000 to $1,999	15.8%
$2,000 or more	6.8%
Average: $678.22	

*146 replies

If you do not expect to purchase a hifi system in the next 12 months, why not?

	Percent of replies*
Already own one	84.6%
Not interested	10.7%
Too expensive	5.1%
Other reasons	2.5%
	**

*693 replies
**Does not add to 100% because of multiple replies.

Where did you / would you purchase your hifi system?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(679)	(718)
Hifi specialty store	36.1%	42.2%
Department store	18.1%	11.8%
Sears, Penney's type store	14.9%	14.5%
Appliance/TV store	12.4%	9.3%
Discount store	9.6%	13.9%
Catalog showroom	5.7%	4.6%
Other outlets	8.7%	3.1%
	*	*

*Does not add to 100% because of multiple replies.

Most shoppers now own a car stereo system

Some 60.1 percent of the consumers polled now own a car stereo while 7.8 percent plan to buy a system within the next 12 months. If they keep true to their word, this will produce a six percent change in ownership.

In addition, 36 respondents now own and plan to buy a new system within the next 12 months, perhaps buying a new car, or just seeking an improved system.

But the majority of those polled, 26 percent, are only willing to pay $100 to $149 for a car stereo system. For that amount of money, it would be difficult to obtain quality sound.

Only 10.3 percent are willing to shell out $400 or more. And 13.4 percent are willing to pay $250 to $399 for an autosound system.

Of those consumers who plan to buy, the majority, 32.8 percent, will shop in a car stereo specialty store where they can obtain service as well as installation.

But another 21.7 percent said that they would buy the car stereo with the car, taking the easy way out.

Although the car stereo aftermarket is on the upswing, many consumers are still purchasing their systems with their cars. And with car manufacturers now custom-designing systems to fit the acoustics of individual car models, the aftermarket is further threatened. General Motors is already riding high with its Delco/Bose system.

However, the advent of compact disc players for automobiles should bring new life to the autosound market. Although prices on these models are expected to be rather steep, there are always people who are willing to shell out the bucks in the beginning, and prices will no doubt fall swiftly. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Car Stereo

Expected change (%) in car stereo ownership in the next 12 months

	Percent of replies*
Now own	60.1%
Will buy in next 12 months	7.8%
Will own in next 12 months	63.7%
	**

Expected percent change in ownership: +6.0%

*860 replies
**Thirty-six respondents (4.2%) now own and plan to buy in next 12 months

How much would you be willing to pay for a car stereo?

	Percent of replies*
Under $50	3.9%
$50 to $99	22.8%
$100 to $149	26.0%
$150 to $249	23.6%
$250 to $399	13.4%
$400 or more	10.3%
Average: $174.50	

*127 replies

Where did you / would you purchase your car stereo?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(504)	(664)
Already in car	65.5%	21.7%
Car stereo specialist	16.5%	32.8%
Hifi specialty store	7.7%	13.1%
Discount store	5.0%	12.0%
Sears, Penney's type store	4.2%	9.6%
Catalog showroom	1.8%	4.2%
Department store	1.2%	4.5%
Appliance/TV store	0.8%	3.3%
Other sources	3.0%	2.1%
	*	*

*Does not add to 100% because of multiple replies.

Over a third of shoppers now own a personal portable stereo

It's hard to think of a product that has captured the hearts of consumers as quickly as the personal portable stereo. Everyone, from the jogger to the commuter, has plugged in his headphones.

Over a third, or 39.8 percent of the consumers queried, now own a personal portable. This represents quite a chunk of consumers, especially since the product hasn't been on the market for all that long.

An additional 8.1 percent of those polled plan to purchase a personal portable stereo within the next 12 months. If they stick to their plans, this would produce a 12.9 percent jump in ownership.

And 26 respondents already own a personal portable stereo and plan to buy another within the next 12 months. Evidently, these people are upgrading in one way or another—either buying a model with added features, such as metal tape capability and auto-reverse, or are seeking out the newer smaller models which are barely bigger than a cassette.

How much are these consumers willing to pay for their personal portable stereos? Almost half, or 42.5 percent of the shoppers, are willing to spend $50 to $99. Some 19.9 percent would buy a personal portable for $30 to $49 while 16.4 percent are willing to put up $100 to $199 for a deluxe model with added features. Another 5.5 percent of those polled said they would be willing to cough up $200 or more.

But the average price that consumers would be willing to pay is $68.01.

What's in store for the category? Sales are slowing down a bit at retail, leading manufacturers to come out with variations of the product. Look for lots of innovation. ●

—Stephanie Flory
sr. assoc. ed. / video-audio

Personal Portable Stereo

Expected change (%) in personal portable stereo ownership in the next 12 months

	Percent of replies*
Now own	39.8%
Will buy in next 12 months	8.1%
Will own in next 12 months	44.9%
	**
Expected percent change in ownership:	+12.9%

*860 replies
**Twenty-six respondents (3.0%) now own and plan to buy in next 12 months

How much would you be willing to pay for a personal portable stereo?

	Percent of replies*
Under $30	15.7%
$30 to $49	19.9%
$50 to $99	42.5%
$100 to $199	16.4%
$200 or more	5.5%
Average: $68.01	

*146 replies

Computer ownership leaps as consumers enter mid-range market

(Charts on following page)

The computer boom will continue in 1984, as more Americans decide to buy machines to help them do a variety of household tasks.

This statement is based on 1,733 consumers polled by *Merchandising*. The findings reveal some interesting buying habits, and give some hints at where the fascinating computer hardware market will be headed in the next few years.

Of the 1,733 replies, 15.3 percent of those respondents said they currently own a computer and an additional 13.4 percent said they plan to buy one in the next 12 months. This means a substantial 28.2 percent will probably own a computer in the next 12 months. These figures account for an expected leap in computer ownership of 84.5 percent.

This jump comes on the heals of an even more impressive 129.7 percent increase detailed in last year's Consumer Survey. So it seems clear that the awaited boom in computer ownership is beginning to occur.

The more calm atmosphere enveloping the hardware industry is apparently having an effect on consumer sales patterns. Seemingly gone are the days when low-end computer manufacturers would rock the market with poor pricing structures and ill-timed product introductions. This year, suppliers seem to be concentrating more on sticking with computer units that they confidently predict consumers will buy.

One new technological innovation consumers won't be able to buy, at least for awhile, is the Japanese MSX machines. They were expected to make their U.S. debut sometime this fall, in time for the Christmas season, but they apparently won't be seen in American stores yet. The MSX absence is another feather in the domestic suppliers' cap because the calm that so many of them have sought will stay around at least a little while longer.

Consumers this year can look forward to being in the catbird seat, as the major computer manufacturers have unveiled significant products aimed at the home user.

Commodore introduced two new machines; the Plus/4, which is a slightly altered version of the 264 model shown earlier this year, and the Commodore 16, which will replace the VIC 20. Coleco has given its Adam home computer another try, only this unit has more power and costs more money. Industry darling Apple Computer has given the world the Apple IIc, the firm's 7½-lb. 128K portable computer; while Atari said it is planning to introduce a new 64K unit which will sport a built-in modem and voice synthesis.

Even IBM's recent announcement that it was cutting the price of the company's PC line 18 to 23 percent will give consumers reason to celebrate. All in all, it adds up to more computer for the consumer's dollar.

And those surveyed indicated that they would be willing to spend an average of $1,331.08 for a home computer. Out of 398 replies, only 9.3 percent said they would spend under $250 for a unit; 9.0 percent said they would be willing to shell out $250 to $399 for a machine. More importantly, 22.9 percent of those polled said they would spend from $400 to $799 for a computer and another 22.4 percent said they would pay $800 to $1,499 for one.

That means almost half of those people questioned, or 41.2 percent, would be willing to spend up to $800 for a computer. When analyzing the remainder of the replies, one finds that 58.8 percent of the respondents are willing to pay $1,499 for a computer.

These statistics would seem to indicate that the hardware market is on its way to a more stable and profitable future. People are apparently now convinced that they indeed get what they pay for. No doubt at least some of those people polled for this survey had bought a low-end computer as an introduction into the world of computing and found that a $300 machine has definite limitations. After seeing that they like computing and have witnessed the useful tasks that a computer can do for them, these consumers are willing to trade up to a higher-ticket unit.

Industry experts agree with this assessment, saying that the low end of the business is saturated and the sales growth in the hardware category will come from the mid-range computers.

And this is exactly where the manufacturers are struggling to place themselves. Coleco's "new" Adam is there. At $750, the unit is aimed at consumers who want to try their hand at operating household management, entertainment and learning software.

Apple's IIc and IBM's PCjr also fit into this price area. The IIc is retailing for about $1,295 which includes a six-course tutorial introducing the user to the system. The PCjr with a built-in disk drive is now retailing for just under $1,000, at $999.

As for why people are buying these computers, by far the largest reason given was for word processing, with 25.4 percent of the 1,152 people questioned saying that they use a computer primarily for writing, editing and printing text.

The next most widely used task, according to those shoppers surveyed, was education, with 19.3 percent of the total. Working at home was third with 16.9 percent; home management fourth, at 16.5 percent, and playing games was fifth, with 7.5 percent of the total. The remaining tasks, among them accessing information, banking at home, communicating with other computer users and shopping at home, only accounted for 14.4 percent of the principal tasks for which those surveyed would use a computer.

Survey results seem to say that people are beginning to use their computers for more complex tasks than game playing, indicating that future machine sales should remain strong. Many consumers are now beginning to see the merits in a computer that is priced near the $1,000 mark, rather than wondering why anyone would spend such money.

When people shop for a machine, the most important feature by far, according to the survey, is its user friendliness. Almost half, or 48.7 percent of 1,149 shoppers polled said ease of use was the most important personal computer feature. Price was a distant second with a 16.9 percent figure, with expandability (9.7 percent) and availability of software (7.9 percent) ranking third and fourth, respectively.

Manufacturers are now more aware that many Americans are simply afraid of a computer. Therefore, firms such as Apple and Atari (which has anointed Alan Alda as its chief advertising spokesman) have taken pains to point out how easy it is to use their model. Previously, many suppliers seemed to take for granted that people would buy a unit just because they wanted to join the computer generation. As a result, sales suffered.

In the advertising area, consumers were treated to seeing Alda and perhaps the most talked-about commercial so far this year, the "1984" spot promoting Apple's Macintosh computer.

But overall, those who notice computer advertising and those who don't was split almost down the middle. Out of 1,733 replies 52.7 percent of those queried said they do read computer advertising while the remaining 47.3 percent said they do not. ●

—Frank Cavaliere
assoc. ed. / computers & personal electronics

Personal Computers

Expected change (%) in personal computer ownership in the next 12 months

	Percent of replies*
Now own	15.3%
Will buy in next 12 months	13.4%
Will own in next 12 months	28.2%
	**

Expected percent change in ownership: +84.5%

*1,733 replies
**Eight respondents (0.5%) now own and plan to buy in next 12 months

How much would you be willing to pay for a personal computer?

	Percent of replies*
Under $250	9.3%
$250 to $399	9.0%
$400 to $799	22.9%
$800 to $1,499	22.4%
$1,500 to $2,499	18.6%
Over $2,500	17.8%

Average: $1,331.08

*398 replies

If you don't own a personal computer and don't plan to purchase one in the next 12 months, why not?

	Percent of replies*
No need	71.1%
Too expensive	27.3%
Other reasons	9.0%
	**

*1,229 replies
**Does not add to 100% because of multiple replies.

Do you notice computer advertising?

	Percent of replies*
Yes	52.7%
No	47.3%

*1,733 replies

What would you want from a store where you buy a computer?

	Percent of replies*
Low price	30.7%
Knowledgeable sales help	19.9%
Service	16.2%
Wide selection	16.2%
Training	14.5%
Installation	1.9%
Other	0.6%

*1,185 replies

If you do notice computer advertising, what do you look for?

	Percent of replies*		
	Main factor	Second factor	Third factor
Description of what computer can do	52.7%	28.0%	8.5%
Price	29.8%	21.2%	22.2%
Technical specifications	9.4%	14.4%	19.1%
List of available software programs	8.1%	26.1%	30.9%
Not indicated	—	10.3%	19.3%

*825 replies

In which kind of store would you feel most comfortable buying a computer?

	Percent of replies*
Computer specialty store	63.5%
Store where you bought other electronics products	36.5%

*1,243 replies

How important to you are the following computer uses?

	Percent of replies*
Word processing	25.4%
Education	19.3%
Working at home	16.9%
Home management	16.5%
Playing games	7.5%
Accessing information	6.7%
Banking at home	4.4%
Communicating with other computer users	1.6%
Shopping at home	1.4%
Other uses	0.3%

*1,152 replies

Which personal computer features are most important to you?

	Percent of replies*
Easy to use	48.7%
Price	16.9%
Expandability	9.7%
Availability of software	7.9%
Power	5.5%
Compatibility with other computers	4.5%
Portability	2.4%
Well-known brand name	2.4%
Good word-of-mouth reputation	2.0%

*1,149 replies

Calculators continue to improve more consumers' lives

Calculators make a variety of tasks easier and that's probably why people continue to buy them at such a healthy pace. When *Merchandising* polled 860 people in this year's Consumer Survey, it revealed that 77.6 percent of those asked said they now own a calculator, more than likely a mini-card handheld model.

Almost 13 percent (12.9 percent) said they plan to buy one in the next 12 months. So in the next 12 months 84.1 percent of those polled said they see themselves owning a calculator. The figures reveal an 8.4 percent boost in the rate of saturation from 1983 to 1984.

Interestingly, the survey also said that 55 respondents who now own a model plan to make another purchase within a year.

As prices have dropped, many consumers find it convenient to have several models: perhaps a desk-top unit in the den and a solar-powered unit in a wallet or purse. As a result of this thinking, sales of all types of calculators are on the rise.

The survey then asked consumers which type of electronic calculator they own or plan to buy. In the already-owned category, 57.9 percent of 662 shoppers said they own a mini-card calculator. Programmable models were second with 13.9 percent of the total, scientific units were third with 12.5 percent and printer models were owned by the least amount of people, or 6.8 percent of the responding pool.

In the desk-top category, 22.1 percent of those questioned said they own a printer and display model, while 19.0 percent said they have a display only desk-top model and only 3.6 percent said they possess a printer-only unit.

For those 111 respondents who still are not calculator owners, 41.4 percent of them said they would probably buy a mini-card calculator before any other model. Programmable models came in second in this category also, with 16.2 percent of the total. Curiously, printer calculators finished ahead of scientific models here, a reversal from those who already own some type of model. Printer models accounted for 11.7 percent of the total while the scientifics only had a prospective ownership figure of 4.5 percent.

In the desk-top area for non-owners, 25.2 percent said they would buy a unit with both print and display features. Only 5.4 percent said they would buy a display-only model and 1.8 percent said they would purchase a printer-only unit.

When these people do decide to make a purchase they're willing to spend money to get what they want. Based on 154 replies, the average potential purchase price for any type of calculator is $55.38.

At the low end, 25.3 percent of those polled said they are willing to pay under $20 for a unit. In the $20 to $49 range the figure is higher: 33.8 percent. In the $50 to $99 category 22.7 percent said they would buy a model, while money is apparently no object to 12.3 percent of those queried, who said they would spend anywhere from $100 to $199 for a calculator. At the high end, 5.9 percent said they would spend $200 or more for a unit.

In summation, while calculators have now been around for a few years, they continue to be strong sellers because they make people's lives easier. They are now viewed upon as a necessity, much like the blenders, stereo systems and blow dryers of previous years and possibly the home computers of tomorrow. ●

—**Frank Cavaliere**
assoc. ed. / computers & personal electronics

Calculators

Expected change (%) in electronic calculator ownership in the next 12 months

	Percent of replies*
Now own	77.6%
Will buy in next 12 months	12.9%
Will own in next 12 months	84.1%
	**

Expected percent change in ownership: +8.4%

*860 replies
**Fifty-five respondents (6.4%) now own and plan to buy in next 12 months

Which type of electronic calculator do you own? Which type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(662)	(111)
Hand-held		
Mini-card	57.9%	41.4%
Programmable	13.9%	16.2%
Scientific	12.5%	4.5%
Printer	6.8%	11.7%
Desk-top		
Printer and display	22.1%	25.2%
Display only	19.0%	5.4%
Printer only	3.6%	1.8%
	*	*

*Does not add to 100% because of multiple replies.

How much would you be willing to pay for an electronic calculator?

	Percent of replies*
Under $20	25.3%
$20 to $49	33.8%
$50 to $99	22.7%
$100 to $199	12.3%
$200 or more	5.9%

Average: $55.38

*154 replies

Shoppers would spend average of $98.72 for a quartz watch

The price of time does not come cheaply. At least not to the 860 shoppers polled by *Merchandising* in this year's Consumer Survey.

When asked how much they would be willing to pay for a quartz watch, 144 replies arrived at an average price of $98.72. This relatively high ticket is a reflection of consumers' increasing emphasis on quality rather than buying strictly on price.

If this supposition holds true, it will be good news for domestic manufacturers who have been threatened by an influx of inexpensive watches from the Far East. This occurrence has forced many U.S. firms to change the way they conduct business. What is happening is that suppliers are lowering their price points in an effort to combat the foreign watch explosion. They are also increasing their advertising and adding features to the timepieces. As a result, the watches often have the look of a higher-priced model but not the price tag.

Careful consumers are benefitting from this struggle to maintain market share in the industry. Despite the many low-end models now available, most shoppers questioned said they would shy away from buying a truly inexpensive quartz watch. Only 21.5 percent of those asked said they would purchase a watch for under $30. The largest percentage group fell into the $30 to $74 range with 38.2 percent of the response. Another 21.5 percent of those asked said they would buy a model that retailed between $75 and $149; 13.9 percent said $150 to $299, and the remaining 4.9 percent were willing to pay $300 and over.

Naturally, many shoppers polled already have quartz watches. Out of 860 people asked, 55.8 percent of them currently own a quartz model, and another 9.0 percent said they plan to buy one in the next 12 months. The percentage of people questioned who will own a quartz watch in the next 12 months will be 60.2 percent. If they do, this will generate a 7.9 percent ownership increase.

There was also a measurable trade-up trend seen in the results, as 39 respondents, or 4.5 percent of those polled, said they now own a quartz model and plan to buy another one in the next 12 months. ●

—**Frank Cavaliere**
assoc. ed. / computers & personal electronics

Quartz Watches

Expected change (%) in quartz watch ownership in the next 12 months

	Percent of replies*
Now own	55.8%
Will buy in next 12 months	9.0%
Will own in next 12 months	60.2%
	**

Expected percent change in ownership: +7.9%

*860 replies
**Thirty-nine respondents (4.5%) now own and plan to buy in next 12 months

Which type of quartz watch do you own? Which type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(460)	(80)
Analog	60.2%	48.7%
Digital	39.8%	51.3%

How much would you be willing to pay for a quartz watch?

	Percent of replies*
Under $30	21.5%
$30 to $74	38.2%
$75 to $149	21.5%
$150 to $299	13.9%
$300 or more	4.9%

Average: $98.72

*144 replies

TV stands still dominate electronics furniture market

Despite the strong emergence of computer furniture in the electronics furniture market, stands and carts for TV's still dominate the sector by a wide margin in terms of pieces consumers own.

Of the more than 1,000 consumers polled in a recent *Merchandising* survey, 10.1 percent said they already own furniture for a computer. And of consumers who said they plan to buy furniture within the next 12 months, 20.9 percent listed computer furniture as a likely purchase, compared to 14.7 percent for TV stands. Furniture for videogames is by far the least popular in the category, with only 6.8 percent admitting they own any, and 6.2 percent saying they plan to buy.

Strangely, while TV stands dominated the market in terms of pieces currently owned, stereo furniture ranked higher when consumers listed planned purchases. Of the 339 consumers who said they plan to buy furniture within the next year, 22.1 percent said they would buy stereo furniture while 14.7 percent listed TV stands. ●

—Mark Harrington
assistant editor

Electronics Furniture

Do you expect to purchase a special cart or table to hold the electronics items that you own in the next 12 months?

	Percent of replies	
	Planning to buy any	Total sample
(Number of replies)	(339)	(1,733)
Stereo	22.1%	4.3%
TV and other video equipment	22.1%	4.3%
Microwave oven	21.2%	4.2%
Computer	20.9%	4.1%
TV only	14.7%	2.9%
Videogame	6.2%	1.2%
	*	*

*Does not add to 100% because of multiple replies.

Where do you expect to purchase your electronics furniture?

	Percent of replies*
Store where purchased electronics	66.7%
Discount store	8.7%
Furniture store	5.1%
Department store	4.5%
Catalog store	2.4%
Catalog showroom	1.5%
"Make my own"	1.4%
Computer store	1.3%
Best price	0.8%
Garage/yard sale	0.3%
Specialty store	0.2%
Other	7.1%

*913 replies

Do you own a special cart or table to hold the electronics items that you own?

	Percent of replies*
TV only	48.2%
Stereo	39.6%
TV and other video equipment	20.4%
Microwave oven	20.4%
Computer	10.1%
Videogame	6.8%
	**

*1,089 replies
**Does not add to 100% because of multiple replies.

More than half of consumers polled own at least one phone

More people own at least one telephone in their homes than those who do not, according to *Merchandising's* polling of 1,696 shoppers.

Of those people questioned, 55.8 percent of them said they now own at least one phone. The remaining 44.2 percent either lease one or more phones or do not have a unit in their dwelling. Apparently the advertising efforts of local phone companies created from the AT&T breakup has paid off to some extent. More and more consumers who have previously never even thought of buying a phone are beginning to think the unthinkable: owning rather than leasing.

While only 14.9 percent of shoppers said they own three or more units, 21.0 percent said they own two phones and 19.9 percent said they own a single phone. These statistics will no doubt have to be increased in the next 12 months because about one fourth, or 28.0 percent, of 1,733 people asked said they intend to buy at least one more phone within that period.

Why has the American consumer flocked to all different types of stores to buy phones in all shapes and sizes? A generation ago a single black rotary phone could be located on an end table in most homes, yet today a clock radio phone on the bedroom nightstand, a Princess phone for the daughter's room and a cordless model for the parents doing the yard work is becoming the norm rather than the exception. Well, it must be assumed that many folks are finding phones can be a convenient appliance rather than just a necessity. Also, much like the calculator, the phone is becoming easily accessible to the majority of pocketbooks.

On the manufacturing side, many suppliers have said in the past that 1984 would be a transitional year for them, meaning they don't expect to break the bank just yet, but are planning to increase production schedules and model introductions in the years ahead. The main reasons for 1984 being termed a transitional year is price changes, foreign competition and additional companies dropping in and out of the telephone market.

It used to be that a telephone purchase was viewed as a major expenditure, but the number of firms making units has caused prices to drop to the point where consumers can buy a phone and spend no more than $20 in some cases.

Of the 1,723 people asked to list the number of phones in their homes, only 0.7 percent said they didn't have a single unit. Most people questioned have one or two phones, accounting for 24.7 percent and 35.9 percent of the total, respectively. The remaining breakdown spiraled downward as the number of phones increased—23.3 percent of those queried said they have three phones; 9.3 percent said four was correct; 3.5 percent responded that they have five phones, and 2.6 percent of the shoppers said they possess six models.

When asked how much they would be willing to pay for a telephone, 16.3 percent of the 856 shoppers queried said they would spend under $20; 31.1 percent said they would buy a unit in the $20 to $39 range; 31.5 percent said a phone in the $40 to $69 range would suit them; 14.7 percent said they would buy a phone in the $70 to $99 range; 4.9 percent indicated $100 to $149 was about the right price to pay, and 1.5 percent of those surveyed said they were willing to spend $150 or more for the right unit.

Many telecommunications analysts have theorized that once people buy one phone and are satisfied with its performance, they're more willing to buy a more expensive model. Increased public awareness of how a particular phone feature can improve their lives has caused many vendors to be optimistic regarding sales prospects for the rest of the year. In addition, suppliers see great things in the basic tone phones because there's always a sizable portion of the public that won't buy anything that doesn't look exactly like what they rented all these years from AT&T.

This do-it-yourself trend that has seen more consumers buy phones has continued into the installation area. Almost half (46.7 percent) of the 1,560 polled said if they did buy a phone they would install it themselves. Here again, advertising plays a key role. Many telephone advertisements have emphasized what they termed the relative ease of DIY installation. Apparently much of the listening public has been convinced.

The rest of the survey reveals that 24.9 percent of those polled said that a member of the family would install the unit; 18.0 percent gave the task to the local phone company; 9.1 percent of those questioned said they expected the dealer that sold them the phone to do the work, and the remaining 1.3 percent said somebody else would do it.

When 1,451 people were asked what type of telephone they were interested in buying, almost half, or 47.4 percent, opted for old reliable: the standard unit. Nevertheless, a sizable portion of respondents (32.3 percent) were familiar enough with feature-laden models to prefer them. Decorator models accounted for 19.1 percent of the results, and 11.2 percent of those questioned said they would buy a one-piece phone.

By and large consumers would shop for these phones at phone-company-operated stores, discount, specialty or electronics retail outlets. These four types of stores accounted for most of the 1,532 elicited replies. Strangely, department stores were mentioned by 8.9 percent of the total. Perhaps large chains do not advertise enough, or perhaps people find their prices high. No doubt the retailing atmosphere, with all-too-prevalent competition, has something to do with the department stores' surprisingly poor showing.

In the cordless market, many consumers will be looking to buy models featuring the new frequencies. Of the 1,733 people surveyed for the question, 13.4 percent of them said they now own a cordless phone. More significantly, 8.0 percent of the shoppers polled said they planned to buy one in the next 12 months, causing an expected ownership increase of 59.2 percent. Overall, the survey said, 21.4 percent of the shoppers questioned said they would be a cordless phone owner in the next 12 months. ●

—Frank Cavaliere
assoc. ed./computers & personal electronics

Telephones

How many telephones are there in your household?

	Percent of replies*
6 or more	2.6%
5	3.5%
4	9.3%
3	23.3%
2	35.9%
1	24.7%
One or more	99.3%
None	0.7%

*1,723 replies

Of the telephones in your household, how many do you own?

	Percent of replies*
6 or more	1.2%
5	1.2%
4	3.3%
3	9.2%
2	21.0%
1	19.9%
One or more	55.8%
None	44.2%

*1,696 replies

Do you expect to purchase any telephones in the next 12 months?

	Percent of replies*
Yes	28.0%
No	72.0%

*1,733 replies

How much would you be willing to pay for a telephone?

	Percent of replies*
Under $20	16.3%
$20 to $39	31.1%
$40 to $69	31.5%
$70 to $99	14.7%
$100 to $149	4.9%
$150 or more	1.5%

*856 replies

If you were to buy your own phone, who would install it?

	Percent of replies*
Self	46.7%
Member of family	24.9%
Phone company	18.0%
Dealer that sold phone	9.1%
Other	1.3%

*1,560 replies

If you were to buy your own phone, who would you expect to service it?

	Percent of replies*
Phone company	42.3%
Dealer that sold phone	27.1%
Member of family	13.3%
Self	11.4%
Other	5.9%

*1,313 replies

Which type of phone would you be interested in purchasing?

	Percent of replies*
Standard	47.4%
Advanced electronic	32.3%
Decorator	19.1%
One-piece	11.2%
	**

*1,451 replies
**Does not add to 100% because of multiple replies.

In which type of store would you be most likely to purchase a phone?

	Percent of replies*
Store operated by phone company	33.7%
Discount store	22.4%
Specialty phone store	22.0%
Electronics specialty store	13.0%
Department store	8.9%
Catalog store	4.9%
Catalog showroom	4.8%
Appliance/TV store	1.3%
Other outlets	0.7%
	**

*1,532 replies
**Does not add to 100% because of multiple replies.

Which telephone features are most important to you?

	Percent of replies*
Storage of phone numbers	61.4%
Call on hold	51.6%
Automatic redial	49.2%
Automatic "hang-up"	43.9%
Switch from tone to pulse	17.0%
	**

*1,351 replies
**Does not add to 100% because of multiple replies.

Expected change (%) in cordless phone ownership in the next 12 months

	Percent of replies*
Now own	13.4%
Will buy in next 12 months	8.0%
Will own in next 12 months	21.4%
	**

Expected percent change in ownership: +59.2%

*1,733 replies
**One respondent (0.1%) now owns and plans to buy in next 12 months

How much would you be willing to pay for a cordless phone?

	Percent of replies*
Under $25	5.5%
$25 to $49	13.7%
$50 to $99	39.2%
$100 to $149	25.7%
$150 to $199	11.1%
$200 or more	4.8%

Average: $82.90

*439 replies

Expected change (%) in answering machine ownership in the next 12 months

	Percent of replies*
Now own	20.8%
Will buy in next 12 months	6.0%
Will own in next 12 months	26.3%
	**

Expected percent change in ownership: +26.4%

*1,733 replies
**Nine respondents (0.5%) now own and plan to buy in next 12 months

If you own a cordless phone, how satisfied are you with its performance?

	Percent of replies*
Very satisfied	18.8%
Satisfied	53.1%
Dissatisfied	28.1%

*228 replies

How much would you be willing to pay for an answering machine?

	Percent of replies*
Under $50	7.8%
$50 to $99	27.1%
$100 to $149	32.2%
$150 to $199	15.5%
$200 or more	17.4%

Average: $117.65

*373 replies

Replacement buying continues to boost majap sales

It bodes well for the major appliance industry that of the 873 consumers surveyed, 324 of them are planning to purchase at least one appliance this year.

Since consumers usually don't replace their appliances until it's absolutely necessary, evidently there are still a lot of units in American homes on their last legs. The continuation of this replacement cycle which boosted 1983 shipments to significant levels signals that 1984 will be another banner year.

But consumers are still concerned with value. More than half, 52.4 percent, of those planning to purchase a unit will shop at a Sears type store, which has built a reputation for value in the appliance industry. Appliance/TV stores will be shopped by 29 percent of the respondents and discount stores by 18 percent.

Department stores, most of which have abdicated the white goods business, will not be visited by most of these consumers. Only 8.5 percent said they would shop in these outlets.

It is this insistence by consumers on value that keeps electronic solid-state controls off of all but the high-end units in most suppliers' lines. Manufacturers admit that in many cases the controls fail to provide an acceptable cost/benefit ratio.

So it's no surprise that when queried about interest in purchasing a major appliance with solid-state controls, 46.6 percent of the survey's respondents replied with a firm "not interested."

What seemed to interest consumers more is the availability of new colorations. Without a doubt, the big news in the major appliance industry at the beginning of this year was the debut of toast and platinum by Whirlpool and sand and silver by General Electric, shades of brown and gray which, unfortunately, are incompatible.

Initially, it looked like a major war would erupt between the two appliance superpowers, but the dust has apparently settled. Said one industry spokesman, "The new colorations will probably account for about five percent of a market still dominated by almond and white. The volume is not large enough to be of major concern."

So while the colors are available, there is little fanfare occurring on many retail floors and a great many consumers are just not even aware that the options exist. But when the consumers surveyed were presented with the idea of new colors, reactions were more favorable than not. ●

—Nancy Markov
managing editor / major appliances

Major Appliances

Which major appliance(s) do you expect to purchase in the next 12 months?

	Percent of replies	
	Planning to buy any	Total sample
(Number of replies)	(324)	(873)
Clothes dryer	28.1%	10.4%
Washer	26.9%	10.0%
Dishwasher	23.1%	8.6%
Refrigerator	18.2%	6.8%
Freezer	13.9%	5.2%
Range	12.7%	4.7%
Trash compactor	11.1%	4.1%
Garbage disposal	9.9%	3.7%

Would you consider buying just one appliance in a new color?

	Percent of replies*
Yes	38.8%
No	61.2%

*873 replies

Where will you buy the major appliance(s) you expect to purchase in the next 12 months?

	Percent of replies*
Sears, Penney's type store	52.4%
Appliance/TV store	29.0%
Discount store	18.0%
Department store	8.5%
Catalog showroom	2.8%
Other outlets	2.2%
	**

*317 replies
**Does not add to 100% because of multiple replies.

How interested are you in purchasing a major appliance with electronic solid-state controls?

	Percent of replies*
Very interested	11.2%
Interested	42.2%
Not interested	46.6%

*856 replies

Do you like the new colors introduced this year for major appliances?

	Percent of replies	
	Gray	Medium brown
(Number of replies)	(826)	(824)
Very much	18.4%	22.0%
Not bad	42.3%	46.3%
Don't like	39.3%	31.7%

Awareness of EER gains strength in room air

In the room air conditioner market, consumer awareness of energy-efficiency ratios (EER's) continues to grow. Of the 873 consumers polled by *Merchandising*, more than half, 51.1 percent, said they are familiar with the term.

And of those 282 respondents who own a room air unit, 31.2 percent reported that the EER was a consideration in their most recent purchase. But some of those who failed to consider EER at point-of-sale now regret their decision.

Said one consumer, "I bought the cheapest air conditioner I could find at the time, and I'm sure sorry now. The unit has a low EER and it costs me a fortune in electricity to run it. Next time, I'll be more discriminating and more concerned about long-term costs."

Fully 59 percent of those polled reported that EER will be a consideration in their next room air purchase.

Unfortunately, it still takes some pretty tough weather conditions to convince many consumers to purchase a room air unit at all. Only 32.3 percent of the respondents said they now own one; 7.8 percent said they plan to purchase one in the next 12 months.

But the year is off to a good start. Through the first five months of 1984, air conditioner shipments were up 82.9 percent, according to industry figures. Also portending a banner year is the heat wave that blanketed the Northeast in mid-June, creating sellout conditions for many retail operations. ●

—Nancy Markov
managing editor / major appliances

Room Air Conditioners

How many room air conditioners** are there in your household?

	Percent of replies*
5 or more	0.1%
4	1.7%
3	4.6%
2	8.0%
1	17.9%
One or more	32.3%
None	67.7%

*873 replies
**Excludes air conditioning provided by apartment house management/owners

Are you familiar with the term "EER"?

	Percent of replies*
Yes	51.1%
No	48.9%

*873 replies

If you own a room air conditioner, was EER a consideration in your most recent purchase?

	Percent of replies*
Yes	31.2%
No	68.8%

*282 replies

Will EER be a consideration in your next room air conditioner purchase?

	Percent of replies*
Yes	59.0%
No	41.0%

*673 replies

Do you expect to purchase a room air conditioner in the next 12 months?

	Percent of replies*
Yes	7.8%
No	92.2%

*873 replies

42 percent of consumers own a microwave oven

Almost 42 percent of the 873 shoppers polled by *Merchandising* own a microwave oven. An additional 14.8 percent plan to purchase one in the next 12 months, boosting ownership among our survey respondents to 55.8 percent, considerably higher than the national saturation average of 33 percent.

But it comes as no surprise. The microwave oven is the industry's number one appliance, leading the pack in 1983 with shipments of around six million units. And the trend shows no signs of slowing. Suppliers project that 1984 will be a 7.5-million-unit year. Some optimistic projections range as high as 8.4 million units.

What has contributed significantly to the continued growth of the category is the fact that more than one market segment is being addressed. The countertop oven still accounts for the lion's share of the business, but even within this single breakdown, wide spreads in price points and cavity sizes have been created to appeal to the varied needs and lifestyles of different customers.

Compact ovens (defined as 0.8 cu. ft. and under by some industry spokesmen), really blew the market wide open in 1983. The smaller sizes were directed to consumers in one- and two-person households who had elected to bypass the large, full-size units on the market because of tight living quarters.

More important, however, was the lower price tag of under $200. This was the entry that the mass merchants needed to move microwaves in tonnage. And they did. Consumers now walk out of discount operations with microwaves as nonchalantly as they do with coffee makers, hair dryers and toasters. And as "down and dirty" pricing strategies pushed some retails as low as $99, even supermarkets have gotten into the act.

The attraction of compacts hasn't slowed this year. In fact, manufacturers are expanding their offerings, particularly with electronic touch models for the trade-up customer who still wants a small-cavity unit.

While the compact market provides trade-up opportunities, the lower-end of the full-size market has become increasingly more competitive.

Prices have dropped considerably in full-size units over the past couple of years. It was interesting that the consumers surveyed by *Merchandising* said they would pay an average $356.87 for an oven when electronic touch models can now be had for as low as $249 in some markets.

Most first-time purchasers are electing to bypass the bells and whistles available on the high-end models, opting for the features that they know they will use. For while excellent meals can be prepared with microwave technology, the majority of consumers still say they use their ovens for defrosting and reheating. The 349 oven owners polled, for example, reported that they use their oven for reheating 41.7 percent of the time, for defrosting 23.9 percent.

The bulk of the full-size business this year and going into 1985 should again be concentrated in the basic and moderately featured touch models retailing between $250 and $350. Suppliers continue to price their lines on an ongoing basis to remain competitive in their venture to capture greater market share.

Where compact ovens were without a doubt the largest growth producer for microwaves last year, some say that the mid-size segment (categorized by many as ranging from 0.8 cu. ft. to 1.0 cu. ft.) will show significant activity this year.

Some suppliers contend that consumers may enter the store shopping for a compact, but many will be traded up to a mid-size unit because of the larger capacity and greater number of features.

Consumers are now realizing, they say, that the mid-size oven can cook almost everything a full-size unit can and save them space in the kitchen. "It's the best of both worlds," said one manufacturer.

Backing up their statements about mid-size potential is product. Samsung, for example, has debuted three 0.9-cu.-ft. models in its new line; features match those offered on the firm's full-size models. Quasar has expanded its Lifestyle series from two to five models and increased cavity size from .85 cu. ft. to 1.0 cu. ft. while reducing the exterior dimensions of the ovens.

Another new segment could turn out to be the under-cabinet oven, a configuration which was debuted by two firms last month.

General Electric's unit which comes in three models falls in the mid-size category at 0.8 cu. ft. The under-cabinet placement opens another door for the many consumers still hesitant to purchase a microwave oven.

No matter how small a compact oven is, it still takes up space on the countertop, noted one GE spokesman. Other than purchasing an over-the-range unit or building a microwave into the wall, there have been no real options for the consumer who is really restricted by space, he said.

Litton's entry, the Little Litton, also addresses the issue of saving countertop space, but with a subcompact 0.5-cu.-ft. unit and a retail price starting at an affordable $159 for the leader model. ●

—Nancy Markov
managing editor / major appliances

Microwave Ovens

Expected change (%) in microwave oven ownership in the next 12 months

	Percent of replies*
Now own	41.9%
Will buy in next 12 months	14.8%
Will own in next 12 months	55.8%
	**

Expected percent change in ownership: +33.1%

*873 replies
**Eight respondents (0.9%) now own and plan to buy in next 12 months

If you own a microwave oven, what portion (%) of the time do you use it for each of the following?*

	Percent of time
Reheating food	41.7%
Cooking regular meals	29.5%
Simple defrosting	23.9%
Other uses	4.9%

*349 replies

If you own a microwave oven, would you consider trading it in for one with additional features?

	Percent of replies*
Yes	37.8%
No	62.2%

*352 replies

How much would you be willing to spend for a microwave oven?

	Percent of replies*
Under $200	6.4%
$200 to $299	20.7%
$300 to $399	34.1%
$400 to $499	19.9%
$500 to $599	13.1%
$600 or more	5.8%

Average: $356.87

*302 replies

Which type of microwave oven do you own? Which type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(365)	(127)
Countertop	72.3%	40.9%
Space-saver/over-the-range	9.9%	29.1%
Countertop with convection	7.4%	24.4%
Single cavity	6.0%	2.4%
Double oven	4.4%	5.5%
Total	100.0%	*

*Does not add to 100% because of multiple replies.

Where did you / would you buy your microwave oven?

	Percent of replies	
	Did buy	Plan to buy
(Number of replies)	(360)	(633)
Sears, Penney's type store	28.9%	31.6%
Appliance/TV store	26.1%	29.2%
Department store	8.3%	8.5%
Discount store	7.0%	12.7%
Microwave specialty store	5.8%	9.0%
Catalog showroom	4.2%	7.4%
Gift, premium, other sources	19.7%	1.6%

If you own a microwave oven, excluding simple reheating or defrosting, what portion (%) of your meals are prepared with your oven?

	Percent of replies*
Under 10%	3.1%
10% to 19%	8.3%
20% to 49%	34.8%
50% to 74%	31.6%
75% or more	22.2%

Average portion of meals: 47.2%

*351 replies

Which microwave oven features are most important to you?

	Percent of replies*
Automatic defrost	55.6%
Programmability	40.4%
Automatic cooking	39.5%
Turntable	37.6%
Temperature probe	33.8%
Touch pad controls	31.6%
Memory	31.6%
Delay start	26.5%
Other	2.9%
	**

*550 replies
**Does not add to 100% because of multiple replies.

Glass, stainless steel top consumer preferences

Consumers will select glass over any other type of cookware, *Merchandising's* survey revealed. Exactly 22 percent expect to purchase glass cookware, followed by 20.4 percent for stainless steel and 17.8 percent for stoneware. This comes as a bit of a surprise, considering the booming popularity of stainless steel in recent months, although the widespread acceptance of the microwave oven no doubt helps account for the popularity of glass. ●

—Michael Garry
assoc. ed. / housewares

Cookware

Do you prefer to buy cookware in sets or open stock?

	Percent of replies*
Sets	50.9%
Open stock	49.4%

*793 replies

If you expect to purchase cookware in the next 12 months, where will you buy it?

	Percent of replies*
Discount store	28.6%
Department store	26.4%
Specialty housewares store	18.3%
Catalog showroom	14.5%
Sears, Penney's type store	14.3%
Other outlets	3.1%

*447 replies

Which of the following types of cookware do you expect to purchase in the next 12 months?

	Percent of replies*
Glass	22.0%
Stainless steel	20.4%
Stoneware	17.8%
Ceramic	13.9%
Porcelain enamel on cast iron	11.7%
Aluminum	11.5%
Plastic	11.5%
Cast iron	9.0%
Enamel	4.7%
Copper	1.8%
Other	0.5%

*445 replies

More than 40 percent now own a food processor

More than 40 percent of the consumers interviewed by *Merchandising* said they own a food processor. And almost 11 percent indicated they would purchase one in the next 12 months, bringing the saturation level over the 50 percent mark. This would represent a 23.1 percent increase in the number of food processor owners among those surveyed.

As manufacturers continue to improve point-of-purchase selling techniques that explain the advantages of the product, its popularity should continue to rise. And it appears that once someone has one, he can't live without it. A small group of respondents (one percent) even plan to buy a second unit in the next 12 months.

What are consumers willing to pay for the appliance? The largest percentage (37.7 percent) said they would part with between $100 and $199, which is the price of most dependable, high-grade units. ●

—Michael Garry
assoc. ed. / housewares

Food Processors

Expected change (%) in food processor ownership in the next 12 months

	Percent of replies*
Now own	41.6%
Will buy in next 12 months	10.7%
Will own in next 12 months	51.2% **
Expected percent change in ownership:	+23.1%

*873 replies
**Nine respondents (1.0%) now own and plan to buy in next 12 months

How much would you be willing to pay for a food processor?

	Percent of replies*
Under $50	12.3%
$50 to $99	32.6%
$100 to $199	37.7%
$200 or more	17.4%
Average: $113.39	

*236 replies

Consumers to purchase bathroom scales, hair dryers

Following the nation's preoccupation with fitness, the bathroom scale topped all personal care products among those consumers expecting to purchase any personal care products in the near future. Almost 27 percent of these respondents said they'd buy a scale, followed by 25.2 percent who plan to purchase a hair dryer.

An interesting development here is the emergence of the blood pressure monitor as a desired personal care product. Under seven percent of all consumers queried indicated they would buy one, but over 10 percent of respondents who were in the market for a personal care product said they would purchase the item. Market penetration of this category should be given a push by the entry of several new manufacturers and by fresh advertising support.

This year marked the introduction of cordless curling brushes and hair trimmers. When *Merchandising* asked consumers whether they would buy a cordless hair dryer—which could well be the next personal care product to go cordless—more than half said they would be interested or very interested in making such a purchase. ●

—Michael Garry
assoc. ed. / housewares

Personal Care Products

How interested would you be in purchasing a cordless hair dryer?

	Percent of replies*
Very interested	19.9%
Interested	32.3%
Not interested	47.8%

*860 replies

Which personal care products do you expect to purchase in the next 12 months?

	Percent of replies	
	Planning to buy any	Total sample
(Number of replies)	(548)	(873)
Bathroom scale	26.6%	16.7%
Blood pressure monitor	10.4%	6.5%
Curling brush	5.1%	3.2%
Curling iron	13.5%	8.5%
Shaver	16.8%	10.5%
Facial sauna	4.4%	2.7%
Foot massager/bath	7.7%	4.8%
Hair dryer	25.2%	15.8%
Hair setter	10.9%	6.9%
Heating pad	13.9%	8.7%
Make-up mirror	10.9%	6.9%
Massager, hand-held	5.3%	3.3%
Massager, shower	10.6%	6.6%
Water pulsator	4.7%	3.0%
Electric toothbrush	4.7%	3.0%

Coffee makers, electric woks lead electrics purchases

Among kitchen electrics, coffee is still king. A greater percentage of the surveyed consumers indicated plans to buy coffee makers (11.3 percent) than any other appliance. Second in the running is the electric wok. Over 10 percent of the consumers said they will buy a wok in the next 12 months.

These results were not surprising in light of retail sales reported by dealers in the past year. The popularity of the wok reflects a strong tendency to entertain at home, especially with foreign cuisines.

Other kitchen electrics which consumers interviewed plan to buy include, in order of popularity, blenders (9.6 percent), food slicers (9.3 percent), can openers (8.9 percent), irons (8.0 percent), toasters (6.8 percent), toaster ovens (6.8 percent), slow cookers (6.1 percent), corn poppers (5.7 percent) and coffee grinders (4.9 percent).

The hottest trend in kitchen electrics today is the space-saving appliance. At the April Housewares Show, a surprising number of manufacturers unveiled can openers, coffee makers and other appliances which can be mounted under a cabinet or on a wall to conserve kitchen counter space. What is the response of consumers to this avalanche of new products?

Considering how new to the market these items are, their impact has been impressive. More than one-quarter of the respondents said they own at least one space-saving appliance. And 16.4 percent indicated that they will purchase one in the next 12 months.

Among space-savers, can openers are so far the most popular. More than two-thirds of respondents who own this type of product have a can opener, while 43.4 percent of future purchasers plan to buy one. Coffee makers follow, with 39.1 percent of current owners possessing one and 35.7 percent of future purchasers planning to get one. The toaster oven is looming as a potentially important space-saver as more than one-quarter of those who plan to buy will choose this product.

Meanwhile, manufacturers have told *Merchandising* that they have a lot of faith in the sales potential of space-saving appliances. One predicted that 15 percent of all coffee makers and possibly 30 percent of all can openers sold will be of the space-saving variety this year. ●

—Michael Garry
assoc. ed. / housewares

Kitchen Electrics

Which kitchen electric product(s) do you expect to purchase in the next 12 months?

	Percent of replies	
	Planning to buy any	Total sample
(Number of replies)	(573)	(873)
Bag sealer	3.0%	1.9%
Blender	14.7%	9.6%
Broiler	2.1%	1.4%
Can opener	13.6%	8.9%
Coffee grinder	7.5%	4.9%
Coffee maker	17.3%	11.3%
Convection oven	3.7%	2.4%
Corn popper	8.7%	5.7%
Crepe pan	4.0%	2.6%
Deep fryer	8.2%	5.4%
Egg cooker	0.9%	0.6%
Fondue, electric	3.1%	2.1%
Food processor	7.3%	4.8%
Food slicer	14.1%	9.3%
Griddle/quick grill	2.8%	1.8%
Hotplate and buffet range	3.7%	2.4%
Ice cream maker	6.5%	4.2%
Ice crusher	1.7%	1.1%
Iron	12.2%	8.0%
Knife, electric slicing	6.6%	4.4%
Food mixer	5.4%	3.6%
Pasta maker, electric	5.8%	3.8%
Slow cooker	9.2%	6.1%
Tea kettle, electric	2.1%	1.4%
Toaster	10.3%	6.8%
Toaster-oven	10.3%	6.8%
Waffle iron/sandwich grill	6.5%	4.2%
Wok, electric	15.7%	10.3%

Are there any space-saving appliances in your household?

	Percent of replies*
Yes	26.3%
No	73.7%

*873 replies

Do you expect to purchase a space-saving appliance(s) in the next 12 months?

	Percent of replies*
Yes	16.4%
No	83.6%

*873 replies

Which type of space-saving appliance(s) do you own / plan to buy?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(230)	(143)
Can opener	68.7%	43.4%
Coffee maker	39.1%	35.7%
Electric knife	34.8%	11.9%
Toaster oven	—	25.2%
Other	7.8%	5.6%
	*	*

*Does not add to 100% because of multiple replies.

Ownership of air purifiers to increase by 41.2 percent

Ownership of air purifiers among consumers surveyed should jump 41.2 percent. While 18.9 percent said they own one, 8.4 percent noted that they plan to purchase a model in the next 12 months.

How much would they spend? Confirming the tendency to trade up in this area, a greater percentage of consumers said they would spend from $50 to $99 (27.1 percent) than would spend under $25 (22.6 percent). The discount store was cited as the favorite place to make future purchases. Among current owners, the department store was the preferred purchasing location. ●

—Michael Garry
assoc. ed. / housewares

Where did you / would you purchase your portable air purifier?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(154)	(556)
Department store	20.1%	21.4%
Discount store	19.5%	34.2%
Drug store	18.2%	9.2%
Sears, Penney's type store	16.2%	20.5%
Catalog showroom	13.0%	13.3%
Other	13.0%	2.0%
Total	**100.0%**	*

*Does not add to 100% because of multiple replies.

Air Purifiers

Expected change (%) in portable air purifier ownership in the next 12 months

	Percent of replies*
Now own	18.9%
Will buy in next 12 months	8.4%
Will own in next 12 months	26.7%
	**

Expected percent change in ownership: +41.2%

*873 replies
**Five respondents (0.6%) now own and plan to buy in next 12 months

How much would you be willing to pay for a portable air purifier?

	Percent of replies*
Under $25	22.6%
$25 to $49	38.7%
$50 to $99	27.1%
$100 or over	11.6%

Average: $47.50

*181 replies

If you don't own a portable air purifier and don't plan to purchase one in the next 12 months, why not?

	Percent of replies*
Not interested	52.1%
No smokers in household	29.1%
Not familiar with product	12.8%
Don't think they're effective	12.0%
Too expensive	3.3%
Other reasons	2.5%
	**

*601 replies
**Does not add to 100% because of multiple replies.

Consumers plan to increase ownership of ceiling fans

Fans continue to be a staple appliance in the U.S. Close to 70 percent of consumers interviewed by *Merchandising* own a fan, yet more than 20 percent are still in the market to buy one in the next 12 months.

And the ceiling fan reigns supreme in this category. Of those consumers who said they plan to buy a fan, a whopping 61 percent selected the ceiling fan; second in popularity is the oscillating fan, which 14.3 percent of the consumers expect to buy. Among those consumers who own a fan, the largest percentage (38.6 percent) said they own a ceiling fan, followed by 35.9 percent who have a box fan.

The ceiling fan's importance is also reflected in pricing. The largest single percentage of respondents (25 percent) indicated they would spend between $100 and $199 for one. ●

—**Michael Garry**
assoc. ed. / housewares

Fans

Is there a fan in your household?

	Percent of replies*
Yes	69.6%
No	30.4%

*873 replies

How much would you be willing to pay for a fan?

	Percent of replies*
Under $30	17.0%
$30 to $49	24.4%
$50 to $99	21.7%
$100 to $199	25.0%
$200 or more	11.9%
Average: $88.19	

*336 replies

Do you expect to purchase a fan in the next 12 months?

	Percent of replies*
Yes	20.7%
No	79.3%

*873 replies

Which type of fan do you own? What type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(599)	(182)
Ceiling	38.6%	61.0%
Box	35.9%	11.5%
Oscillating	32.4%	14.3%
Window	20.4%	10.4%
Other	3.3%	2.8%
	*	*

*Does not add to 100% because of multiple replies.

Digital clock radios and travel clocks are hot timepieces

The digital clock radio remains a most popular product. Among consumers interviewed, nearly one quarter said they plan to buy one in the next 12 months, although 50.8 percent of the respondents already own a unit.

Reflecting the upsurge of interest in travel products, the digital travel clock was cited by 10.8 percent of the consumers as something they plan to buy; and 9.9 percent said they own one.

More than 40 percent of respondents noted that they own a digital alarm clock, and 8.4 percent expect to buy one in the next 12 months.

More consumers said they would buy analog than digital kitchen wall and decorative wall clocks. For the other timepieces—alarm, travel, clock radio and desk—respondents indicated a greater interest in purchasing digital models.

The same pattern was seen in clock ownership. The only exception was with travel clocks. Though more consumers said they own an analog model, (15.9 percent compared with 9.9 percent for digital), a greater percentage of consumers said they would purchase a digital model (10.8 percent versus 2.8 percent for analog).

Predictably, the survey pointed out that 98.3 percent of the consumers interviewed own at least one electric clock. ●

—**Michael Garry**
assoc. ed. / housewares

Electric Clocks

Is there an electric clock in your household?

	Percent of replies*
Yes	98.3%
No	1.7%

*873 replies

Which types of electric clocks do you own? Which types do you expect to purchase in the next 12 months?

	Percent of replies	
	Own now	Will buy in next 12 months
(Number of replies)	(858)	(250)
Kitchen wall		
Digital	8.4%	2.8%
Analog	54.5%	18.8%
Decorative wall		
Digital	3.4%	6.8%
Analog	39.4%	14.8%
Alarm		
Digital	40.9%	8.4%
Analog	33.1%	4.8%
Travel		
Digital	9.9%	10.8%
Analog	15.9%	2.8%
Clock radio		
Digital	50.8%	24.4%
Analog	16.2%	6.8%
Desk		
Digital	14.1%	8.4%
Analog	12.7%	2.8%

Two-thirds of consumers in survey own outdoor grills

Just over two-thirds of consumers surveyed by *Merchandising* own outdoor grills. This confirms the product's integral place on the American scene, where just about every home owner at one time or another can be seen poking around on a gas or charcoal grill in his backyard.

Moreover, in the survey 14.7 percent of the consumers said they planned to purchase a grill in the next 12 months, indicating the market is far from stagnant. New features which have helped to create excitement include self-cleaning mechanisms, flip-up warming racks and propane tanks on wheels. In addition, cart-styled grills have been rolled out by many manufacturers.

Where are Americans purchasing their grills? Of those who own them already, the largest percentage (22.7 percent) said discount stores, followed closely by those who used a Sears or J.C. Penney's type of outlet (21.6 percent). Interestingly, among respondents who plan to buy a grill, a much larger percentage (34.8 percent) indicated an interest in purchasing the unit at a discount outlet. Department stores and catalog showrooms shared about the same percentage of consumers who bought or will buy grills.

The average price consumers in the survey were willing to pay for a grill was $92.52. The largest percentage (30 percent) of respondents said they would pay $50 to $99, but similar percentages said they'd go for under-$50 units (29.5 percent) or $100 to $199 models (28.3 percent). Only 12.2 percent indicated a preference for grills costing $200 or more.

The survey found that consumers' favorite grill is the charcoal type, though gas is hot on its heels. Electric grills are still a minor segment of the market. ●

—**Michael Garry**
assoc. ed. / housewares

Grills

Is there an outdoor grill in your household?

	Percent of replies*
Yes	67.5%
No	32.5%

*873 replies

Do you expect to purchase an outdoor grill in the next 12 months?

	Percent of replies*
Yes	14.7%
No	85.3%

*873 replies

Which type of outdoor grill do you own? Which type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(588)	(127)
Charcoal	57.1%	58.3%
Gas	40.1%	37.8%
Electric	4.9%	6.3%
	*	*

*Does not add to 100% because of multiple replies.

Where did you / would you buy your outdoor grill?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(547)	(695)
Discount store	22.7%	34.8%
Sears, Penney's type store	21.6%	21.4%
Department store	13.1%	10.5%
Catalog showroom	12.8%	15.7%
Specialty outdoors store	12.8%	12.8%
Other outlets	17.0%	5.5%

How much would you be willing to pay for an outdoor grill?

	Percent of replies*
Under $50	29.5%
$50 to $99	30.0%
$100 to $199	28.3%
$200 or more	12.2%
Average: $92.52	

*237 replies

Hand-held vacuums will be snapped up by more consumers

According to consumers queried by *Merchandising*, the vacuum has approached near total saturation; 94.6 percent of the respondents said they own one. Moreover, 18.8 percent noted that they plan to buy a unit in the next 12 months. This confirms that a healthy replacement and trade-up market exists, in part because manufacturers have kept the business fresh with product innovations like electronic controls and extra power.

The survey of price points that consumers are willing to meet indicates that just under one-quarter would pay substantial amounts—$200 and up—for one of these new, full-featured models. The largest percentage (36.4 percent) said they would pay between $100 and $199, with the average price point hitting $130.94.

Now that the primary vacuum market is so close to saturation, a secondary business has arisen based on the hand-held product. Suppliers galore have followed Black & Decker's lead and unveiled a variety of corded and rechargeable, cordless models. According to manufacturers, the saturation level for the hand-held units stands at somewhere between 11 and 13 percent; this leaves boundless opportunities as consumers discover uses for the tiny vacs, ranging from cleaning the car to the stairway.

In this survey 18.6 percent of consumers indicated that they own a hand-held vac. But among those who plan to buy a vacuum, the hand-held unit garnered the largest share of respondents—38.6 percent—proof of its growing popularity.

The rechargeable model remains the most popular hand-held unit, picking up 9.8 percent of those who own a vacuum and 27 percent of those planning to buy one, and surpassing the figures for corded and battery-operated models. The cordless unit's versatility apparently gives it an edge, although it has less power than corded versions and runs for a limited period of time. ●

—**Michael Garry**
assoc. ed. / housewares

Vacuum Cleaners

Do you expect to purchase a vacuum cleaner in the next 12 months?

	Percent of replies*
Yes	18.8%
No	81.2%

*873 replies

Is there a vacuum cleaner in your household?

	Percent of replies*
Yes	94.6%
No	5.4%

*873 replies

How much would you be willing to pay for a vacuum cleaner?

	Percent of replies*
Under $50	11.8%
$50 to $99	28.8%
$100 to $199	36.4%
$200 to $299	15.5%
$300 or more	7.5%
Average: $130.94	

*451 replies

Which type of vacuum cleaner do you own? Which type do you expect to purchase?

	Percent of replies	
	Own now	Plan to buy
(Number of replies)	(826)	(163)
Upright	59.3%	31.3%
Canister	43.1%	24.5%
Lightweight	13.6%	17.2%
Hand-held (total)	**18.6%**	**38.6%**
Rechargeable	9.8%	27.0%
Corded	5.3%	5.5%
Battery	3.5%	6.1%
	*	*

*Does not add to 100% because of multiple replies.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Scarface** *(MCA)*	—	1
2. **Silkwood** *(Embassy)*	—	1
3. **Terms of Endearment** *(Paramount)*	—	1
4. **Sudden Impact** *(Warner)* **GP**	1	3
5. **Gofky Park** *(Vestron)*	12	2
6. **Christine** *(RCA/Columbia)*	—	1
7. **Uncommon Valor** *(Paramount)*	3	2
8. **All the Right Moves** *(CBS/Fox)*	—	1
9. **Raiders of the Lost Ark** *(Paramount)*	19	7
10. **Trading Places** *(Paramount)*	2	4
11. **The Dead Zone** *(Paramount)*	6	3
12. **Mr. Mom** *(Vestron)*	5	5
13. **Under Fire** *(Vestron)*	7	3
14. **Rear Window** *(MCA)*	—	1
15. **D.C. Cab** *(MCA)* **G**	11	3
16. **Octopussy** *(CBS/Fox)*	4	3
17. **The Lonely Guy** *(MCA)*	—	1
18. **WarGames** *(CBS/Fox)* **G**	8	4
19. **Risky Business** *(Warner)*	17	7
20. **Angel** *(Thorn EMI)*	—	1
21. **Never Say Never Again** *(Warner)* **GP**	10	4
22. **Flashdance** *(Paramount)*	23	10
23. **Star 80** *(Warner)* **GP**	9	3
24. **Osterman Weekend** *(Thorn EMI)* **GP**	14	3
25. **National Lampoon's Vacation** *(Vestron)* **GP**	21	7
26. **Testament** *(Paramount)*	—	1
27. **The Man Who Loved Women** *(Columbia)*	28	2
28. **Star Chamber** *(CBS/Fox)*	18	4
29. **The Keep** *(Paramount)*	—	1
30. **Tootsie** *(RCA/Columbia)*	13	5

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)*	2	24
2. **Terms of Endearment** *(Paramount)*	—	1
3. **The Making of Michael Jackson's Thriller** *(Vestron)*	1	6
4. **Raiders of the Lost Ark** *(Paramount)*	2	8
5. **Scarface** *(MCA)*	—	1
6. **Do It Debbie's Way** *(Video Associates)*	4	2
7. **Trading Places** *(Paramount)*	5	4
8. **Flashdance** *(Paramount)*	7	10
9. **Mickey** *(Walt Disney)*	—	1
10. **Rear Window** *(MCA)*	—	1

Top 5 in CED videodisc sales

1. **Scarface** *(MCA)*	—	1
2. **Uncommon Valor** *(Paramount)*	—	1
3. **All the Right Moves** *(CBS/Fox)*	—	1
4. **Under Fire** *(Vestron)*	—	1
5. **The Making of Michael Jackson's Thriller** *(Vestron)*	3	4

Top 5 in laserdisc sales

1. **Scarface** *(MCA)*	—	1
2. **Silkwood** *(Embassy)*	—	1
3. **Uncommon Valor** *(Paramount)*	—	1
4. **Sudden Impact** *(Warner)* **GP**	1	3
5. **Never Say Never Again** *(Warner)*	5	4

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

CBS/FOX VIDEO

ROMANTIC COMEDY Dudley Moore stars in this funny movie as Jason, a self-centered playwright. On his wedding day, he stands stark naked waiting for his masseuse when in walks Phoebe (Mary Steenburgen). What follows is a comic yet moving tale. *Color 102 minutes PG C: $59.95.*

UNFAITHFULLY YOURS (1984) This remake of the 1948 classic stars Dudley Moore as a conductor and Nastassia Kinski portrays his glamorous wife. Armand Assante plays the dashing young violin virtuoso who Moore suspects is stealing Kinski's affections. *Color 96 minutes PG C: $79.98.*

EMBASSY

JUNGLE BOOK (1942) This classic adventure stars Sabu (Elephant Boy) as Mowgli, a young Indian boy who is raised by a pack of wolves. Years later, Mowgli returns to his village, falls in love, but soon becomes disenchanted by the greed of the human race. He finally returns to his home—the jungle. *B/W 105 minutes C: $39.95 LV: $34.95.*

A MIRROR MIRACLE (1983) The witty and heart warming story of two stubborn priests, the world's foremost soccer player and a dozen dirty orphans who band together to save the orphan's home from being condemned by the local city planners. *Color 100 minutes G.*

FAMILY HOME ENTERTAINMENT

A GUMBY SUMMER Gumby and his friends Pokey, Prickle and the rest of the gang cavort through a fantasy world of runaway robots, perky Indians and villainous Blockheads. The film provides entertainment for a variety of ages. *Color 60 minutes G Beta Hifi VHS Stereo C: $29.95.*

THE LEGEND OF HIAWATHA Henry Wadsworth Longfellow's immortal poem comes to life in this animated adventure. Hiawatha is sent to teach his people the ways of progress and survival, but first he must battle an evil demon, who has brought a deadly plague down upon his people, including Hiawatha's love, Minnehaha. *Color 60 minutes Beta Hifi VHS Stereo C: $29.95.*

MCA

BLONDIE LIVE! The group's last concert features the dynamic vocals of Deborah Harry at her boldest best plus the rest of the Blondie band, including Chris Stein, Nigel Harrison and Clem Burke. Such hits as Call Me, Heart of Glass, One Way or Another and Start Me Up are featured. *Color 35 minutes C: $29.95.*

TANK (1983) James Garner stars in this unusual drama of love, honor and loyalty. Sergeant Major Zack Carey (Garner) is completing his final stint of duty at a post in a small southern town. After defending a prostitute (Jenilee Harrison), he finds himself fighting with the town sheriff (G.D. Spradlin). *Color 113 minutes C: $79.95 CED: $19.98 LV: $29.98.*

MGM/UA

AUDREY ROSE (1977) Marsha Mason and John Beck star as panic-stricken parents who are confronted by a mysterious stranger (Anthony Hopkins) who claims that his dead child, Audrey Rose, lives on inside their daughter, Ivy. The horrified couple watch helplessly as Ivy is completely taken over by this tormented spirit. *Color 113 minutes PG C: $59.95.*

CURSE OF THE PINK PANTHER (1983) When Inspector Clouseau is declared missing, Chief Inspector Dreyfuss (Herbert Lom) sends for the world's most inept detective. Blake Edwards wrote and directed the seventh movie of the classic Pink Panther series. *Color 110 minutes PG C: $79.95.*

RCA/COLUMBIA

THE BIG CHILL (1984) It's here on home video at last! This film shows the reunion of a group of former college housemates at the funeral of one of the group who had committed suicide. The group spends a week together reminiscing, evaluating their lives and studying their futures. Closed-captioned for the hearing impaired. *Color C: $79.95.*

EDUCATING RITA (1984) Michael Caine and Julie Walters star in this comedy about a young working-class hairdresser who goes to a university to study English literature. She develops an unusual and touching relationship with her disillusioned professor (Caine). *Color PG Beta Hifi C: $79.95.*

MOSCOW DOES NOT BELIEVE IN TEARS This entertaining comedy traces the lives of three small town girls who arrive in Moscow to pursue their dreams. This film was the winner of the 1980 Academy Award for best foreign film. *Color Beta Hifi C: $59.95.*

WARNER

LET'S BREAK: A VISUAL GUIDE TO BREAK DANCING (1984) An hour long instructional guide to all of the moves and steps associated with the break dancing craze, this home video features original music by Dennis McCarthy and Jim Cox. The film showcases New York City break dancers in demonstrations of such basic moves as popping, body waves, backspins, the worm and the "Electric Boogie." *Color VHS Dolby Stereo Beta HiFi C: $39.98.*

Merchandising TELEPHONES

Cellular telephone story: proceed with caution

By Mark Harrington, assistant editor

CHICAGO—While cellular technology, the concept that put telephones on the road, is viewed as a profitable idea whose time has come, experts in marketing the devices advise retailers to proceed with caution in entering the field.

Moreover, manufacturers gathered at the CES said selectivity would play a major role in distribution of cellular phone products. For the most part, retailers that can offer reliable service, installation and maintenance, as well as the ability to commit sizeable investments to stock, will likely be those chosen as dealers.

For that reason, car dealers and car stereo aftermarket retailers will be the first to make product available.

But that's not to say other types of dealers will be cut out altogether. And in the future, as prices fall and services reach more cities, the number of retailers offering cellular product can be expected to expand.

Get educated

By far the most resounding message from manufacturers to retailers in the area of cellular was: Understand the technology and what it entails before making an investment.

Manufacturers for their part are attempting to make that message clear by offering training on how to sell, install and maintain cellular systems.

Perhaps the greatest advocate of proceeding cautiously is AT&T Consumer Products, which stands to lose credibility points if mistakes and misconceptions about cellular start cropping up.

''We've got training programs up the kazoo,'' said Phil Scanlon, marketing director, cellular, AT&T Consumer Products. ''We don't want any clutzy do-it-yourself installers screwing up someone's car.''

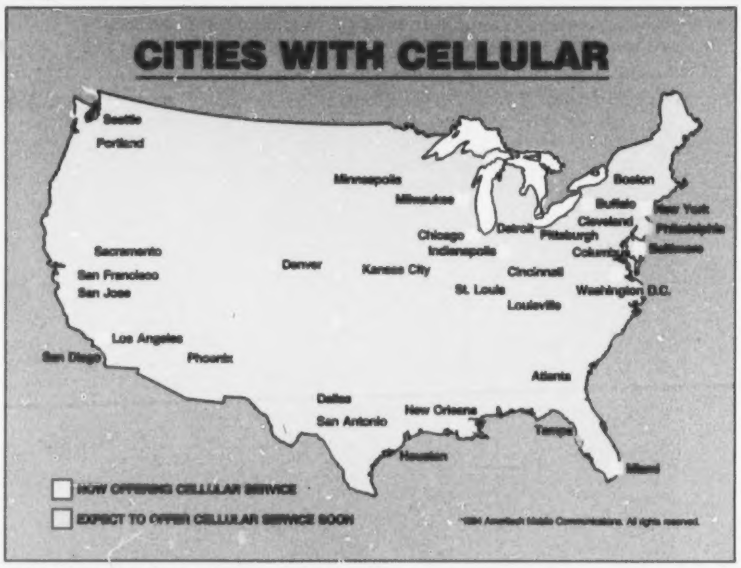
The company is also going to be particular about who it sells its systems through. ''We're willing to lose a little business while other companies sell fast and cheap in support of our notion that it's not how many dealers you have that counts, but the quality of those you have,'' said Scanlon.

''The market for cellular is just beginning,'' he added. ''There's plenty of time for retailers to do their homework.''

It not only takes education to get into cellular, it's going to take dollars as well. Those willing to make the biggest commitments in stock will be favored by the manufacturers.

At Western Union, dealers must

(Continued on page 48B)



CELLULAR SYSTEMS ARE OPERATING in nine cities at press time. Others are expected to come on line imminently. Within a few years, most major metropolitan areas will be offering cellular service.

Growth prospects strong:

Multi-feature units replacing leased phones

By Marilyn Sibirski, field editor

CHICAGO—Heightened consumer awareness of such features as built-in speakers and autodialers is painting a bright picture for the multi-feature phone market. According to vendors at last month's CES, this up-and-coming category will be the fastest growing segment of the phone business in the near future.

In addition, suppliers expect greater sales momentum in basic phones—particularly those with new styling—as more consumers replace their leased units. A sizeable portion of the public, they explained, will still opt for basic models because of their familiarity with the product.

How many consumers own their phones? According to AT&T research, half the equipment in use will be owned by the end of 1984. And the number of telephones in use is projected to rise from 158 million in 1983 to 195 million at the end of 1989. Households are expected to increase from 84.6 million in 1983 to 94 million in 1989, while the number of phones per home will grow from 1.9 to 2.1.

''For 1985 and beyond, I'm very bullish on the prospects for the retail telephone sales market,'' stated Al Franks, vice president of sales for AT&T Consumer Products. ''While we probably won't see the extraordinary growth of the past two years again, the market should stabilize and then continue forward with a healthy year-over-year growth. Annual unit sales over the next five years will fall into the 27 to 35 million range, while revenues will climb to between $1.5 and $1.8 billion.''

Features are in demand

''Functional phones—those with features over and above three to five one-touch repertory calling positions and last number redial—will experience a 55 percent growth factor in 1984, with continued healthy movement expected in 1985 and beyond,'' said Franks.

''The challenge for both the manufacturer and the retailer is to continue educating consumers about the features and their benefits through advertising, promotion and sharpened sales skills,'' he emphasized. ''Without this educational process, the vast revenue potential of this product category will neither be maximized nor achieved as quickly.''

(Continued on page 52)

Cordless market should rebound on strength of new frequencies

By Marilyn Sibirski, field editor

CHICAGO—Cordless phones—fading stars for much of the past year—were attempting to make a comeback at last month's CES as retailers viewed models with the new 10-channel frequency (46/49 MHz) from a long list of manufacturers.

Despite their significantly higher price tag, the new generation of cordless phones is expected to reignite healthy sales in the cordless phone business in the near future. But for the remainder of 1984, vendors as well as dealers will concentrate on phasing out their inventory of the five-channel frequency models (49/1.7 MHz) and rebuilding consumer confidence in the once booming cordless category.

Still growing

''Cordless phones are still in a growth stage,'' asserted Al Franks, vice president of sales for AT&T

(Continued on page 52B)

Firms start to enter business phone field

Manufacturers cite the growing number of small businesses as the main reason for jumping into this promising telephone area. Turn to page 52B for complete details.

Cellular phones offer new way of talking

Vendors now offering cellular technology have great expectations. For a concise report detailing where cellular has been and where it will be going, turn to page 48B.

Demand is growing for phone answerers

Many suppliers unveiled new answerers at the CES last month. For a partial listing of what's new in the category from some of the industry's manufacturers, take a look at page [illegible].

BEST AVAILABLE COPY

New corded phones sport memory, tone/pulse switchability, auto redial

(Continued from page 48A)

new functional phones. Touch-a-matic 1015 is a clock radio/telephone with nine-number memory dialing of up to 16 digits and a suggested retail of $89.95. Touch-a-matic 1605 is a desk organizer phone, featuring a calendar holder and compartments at $199.95.

Entering the telephone business with three multi-feature models this summer is Technico. Six other models will be made available in November; suggested retails range from $19.95 to $199.95.

"Our entry into the phone business is a logical step in our development as a company," said president Howard Boilen. "Our commitment to research and development enabled us to produce phones which perform the same functions as competing products, but with fewer chips."

Highlighting Technico's line is a speech analysis/synthesis phone (model SS-600). The synthesizer reproduces voices with electronic components instead of using a recorded voice on tape. It allows users to leave an outgoing message on their phone, and hook it up to their tape recorder to handle incoming messages. The product has tone/pulse switchable dialing, an 11-digit LCD display, a stop watch and hands-free dialing.

Also jumping on the feature phone bandwagon with three new entries is Mura Corp. "The models, with suggested retails from $69.95 to $89.95, offer consumers a variety of features, such as built-in speakers and a strong price/performance value ratio," noted Martin Homlish, vice president of marketing and sales. "Other highly requested features are tone/pulse switchability and memory."

Mura showed an exclusive new convenience feature on three of its models. Called MasterHold, it allows every phone, regardless of make, in a one-line household system to share an independent hold function. MasterHold is designed not to interfere with call waiting and other services for single-line phones.

At General Electric, Robert Giordano, product manager, pointed out: "We've done a lot of research on what consumers find useful and necessary in phones. The speaker feature is becoming increasingly important because it provides freedom from the cord and enables group conversation. And memory is in demand; three years ago it was a relatively unknown feature."

"Our research also indicated that consumers find busy signals to be a big annoyance," he added. "In response to this problem, we developed a 16-number memory phone with a feature that provides continual dialing of busy numbers every 30 seconds."

A long list of convenience features, including auto redial of busy numbers, has been incorporated into Code-A-Phone's line of multi-feature phones. The company introduced six models with suggested retails from $109.95 to $159.95.

"Some of the units offer two-line capability and built-in speakers," noted Paul Newman, vice president of marketing. "We also added a 10-number LCD display to several models. This provides visual verification of numbers as they are dialed or programmed for storage as well as indicating functions in use. Ease of operation is very important to consumers."

At Comdial, John Forbes, vice president of marketing, said: "Consumers are aware that phones can perform many functions. That's why we added hold and redial to our line of standard wall and desk models as well as our new Slenderet collection. A sizeable portion of the sales growth for the rest of 1984 will come from these two product areas, with most of the price movement falling between $54.95 and $84.95."

Also new at Comdial is the Regent series, which carries a two-year limited warranty and offers traditional gong ringers. Made in the United States, these multi-feature phones will be available either with a reversible base for wall mounting or in a separate wall version.

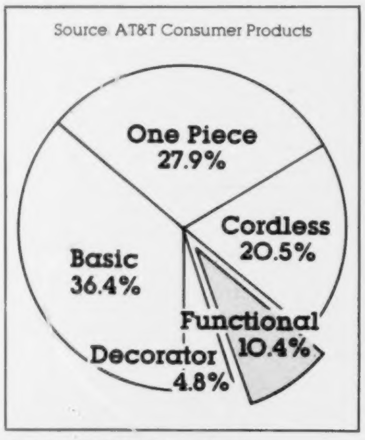
Sanyo's new entries in multi-feature phones offer a range of nine-number to 64-number memory with redial. Other features include tone/pulse switchability speakers and LCD displays. The units list from $59.95 to $169.95. Marketing manager Larry Brydbord expects most of the movement to be in the low- to mid-priced areas.

Another newcomer in the multi-feature phone business is Specialty Phones, Inc., which introduced a full-duplex speaker phone with an amplified handset. The model will be available with either a linear or matrix pressure-sensitive membrane touch pad.

"We're moving away from decorator phones and into the feature phone area," stated vice president Jeffrey Cutruzzula. "We'll be introducing a model with Braille symbols in September and another unit with full voice recognition in the first quarter of 1985."

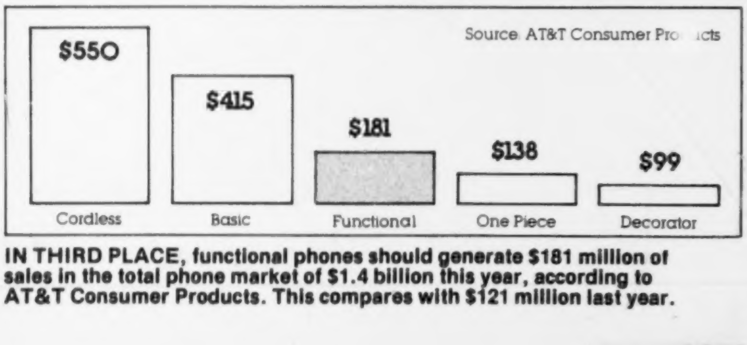
Also designed for the blind and those with poor vision is the "easy touch" by ITT Telecom. The product's oversized keypad—featuring large buttons and graphics—will be supplemented with Braille symbols.

Phone Sales—1984
(Units)

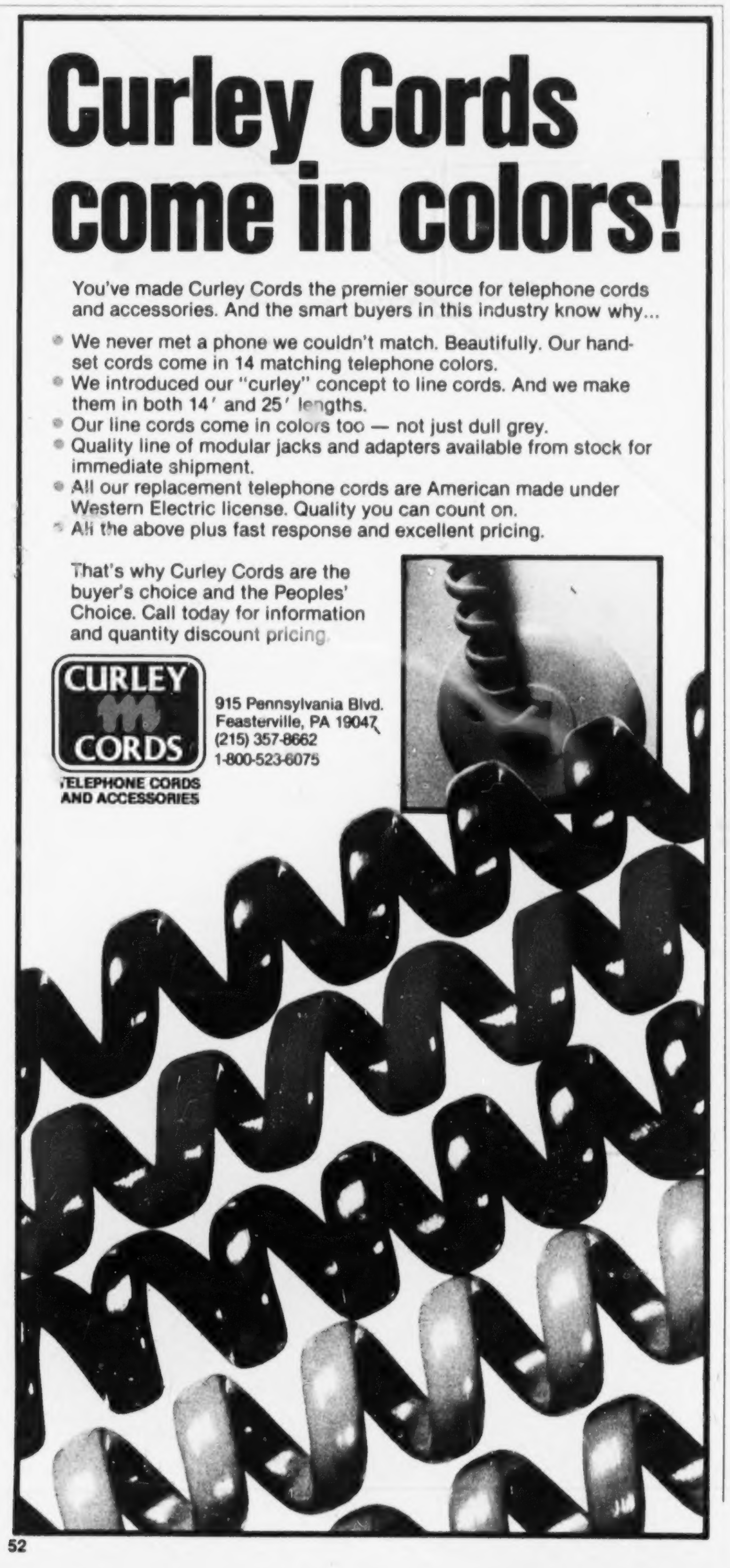


GROWING FAST, 2.8 million functional phones will be sold this year, up from 1.8 million in 1983, according to AT&T Consumer Products. The company expects the category to capture 10.4 percent of the total phone market of 26.9 million units.

Phone Sales—1984
(Dollars In Millions)



IN THIRD PLACE, functional phones should generate $181 million of sales in the total phone market of $1.4 billion this year, according to AT&T Consumer Products. This compares with $121 million last year.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AUGUST 1984

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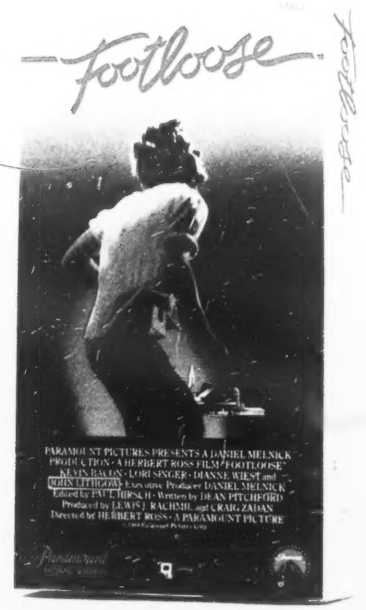
Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS WHOLESALERS AND DISTRIBUTORS

Update on an explosive market: Video Software


Footloose
Footloose
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Romancing the Stone

Video rental programs adapt as competition comes on strong

What does the future hold for videocassette pricing?

Studios build promotions around this fall's releases

The Big Chill

Convoy

Shari Lewis
Have I Got A Story For You

Vendors scurry to launch programming in VHS hifi

Also in this issue:

- What's hot in consumer electronics?
- Why Rich's rented out its computer department
- Diary of a heatwave: the day the air conditioners sold out
- Dealers move to overcome kerosene heater safety fears
- Retailers gear up for the Christmas of '84

Computerization makes it easy to work the Hardware Show

Merchandising
FOR OVER 56,200 RETAILERS & WHOLESALERS

August 1984
Our 77th Year
Vol. 9, No. 8

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From VCR's to computers, '84 is a banner year

By Lee Rath, editor

NEW YORK—When it comes to consumer electronics, it would be far easier and take much less time to talk about what's not hot rather than what is.

A quick look at the table to the right shows that almost every product is expected to demonstrate some sort of an increase in unit sales this year. And for those that are down, there is, in almost every case, a sister product that more than makes up for the decline.

While the strong economy in general can be credited with giving the industry such a boost, it must be noted that consumer electronics is getting more than its fair share of the pie. The products are in the right place, at the right price, at the right time.

And they are appealing to a broad range of consumers. There's a product for virtually every taste. What's more, they are being increasingly perceived as a must-have item rather than a luxury.

Even better is the indication that this is a trend that has only just begun. These products have staying power. The industry's growth is not tied to a fad that's bound to fade as the months roll by. Growth is inevitable.

The only problems on the immediate horizon have to do with possible shortages in certain hot categories where manufacturers have underestimated demand or could encounter trouble procuring raw materials such as the LSI's that are the heart of virtually every product.

External factors, such as rising interest rates, could also put a damper on sales, although there are those who say they would actually help.

But no matter how you look at it, 1984 is shaping up as one hot year for one hot industry. Between now and the end of December, there's almost nothing that can get in the way.

And the winners are ...

Obviously, some products have to be more hot than others. Looking at EIA projections for the year, we've identified the hottest of the hot as those that are expected to yield factory sales in excess of a half billion dollars and *still* turn in a 10 percent or more increase in unit sales.

These are products that have been around for some time. They are already in wide use and being sold in huge quantities every year. Yet they continue to generate strong growth. Now that's staying power!

On this list we have color TV receivers, VCR's, autosound equipment, blank videocassettes, home computers, home computer software and corded telephones.

Following these items are a number of products that are showing excellent growth in unit sales, 25 percent or more expected this year. But they are not yet generating the dollar volume of the more mature products. This includes projection TV, color video cameras, compact disc players, prerecorded videocassettes and cordless telephones.

These are the up-and-comers, the products to watch.

Next come a range of products, either more mature or less in demand, but still turning in respectable growth. Here we have separate audio components, one-brand component systems, portable audiotape equipment, blank audiocassettes and telephone answering machines.

Finally, there are the products showing declines for 1984. Some have simply been superseded by other products. The monochrome TV receiver has been overtaken by the color set, programmable videogames and their software by computers and computer software. The home radio market is, apparently, just saturated.

Which leaves the videodisc player and its software. The big loser of 1984, this product was, to a degree, superseded by the VCR. But the big drop here can be attributed to RCA's decision to abandon the CED format. Although the laser products do, in all probability, have a future, it's not going to happen between now and the end of the year.

WHAT'S HOT?

Products expected to generate unit sales increases of 10% or more and yield factory sales of $500 million or more this year.

	Projected '84 unit sales to dealers (in thousands)	% Change
VIDEO		
Color TV Receivers	15,800	+13.0%
Monochrome TV Receivers	5,300	-7.0%
Projection TV	180	+25.0%
VCR's	7,000	+71.1%
Color Video Cameras	650	+57.0%
Videodisc Players	225	-26.7%
AUDIO		
Separate Audio Components	NA	+9.1%*
Compact Disc Players	200	+471.4%
Home Radios	40,000	-0.9%
Compact Systems	2,550	-3.8%
One-Brand Component Systems	500	+22.9%
Portable Audiotape Equipment	26,000	+2.4%
Autosound Equipment	NA	+24.9%*
SOFTWARE		
Blank Audiocassettes	250,000	+6.4%
Blank Videocassettes	95,000	+46.2%
Prerecorded Videocassettes	18,500	+68.2%
Videodiscs	8,000	no change
HOME COMPUTERS & GAMES		
Home Computers	5,300	+10.4%
Home Computer Software	55,000	+57.1%
Programmable Videogames	4,000	-39.8%
Videogame Cartridges	65,000	-13.3%
TELEPHONES & ANSWERING MACHINES		
Cordless Telephones	6,100	+29.8%
Corded Telephones	25,000	+66.7%
Telephone Answering Machines	2,700	+22.7%

All figures courtesy of the Electronics Industries Association/ Consumer Electronics Group, June 1984.

* Percent increase based on factory sales in dollars.

A position of strength

Why is the market so strong? Obviously, it's riding on a growing economy. But there's got to be more. Otherwise, why would the consumers be spending so much of their disposable income on VCR's and home computers rather than on vacations, expensive clothes and all the other competing products and services?

For help, we turned to J. David Ehlers, president of Stamford Consulting Associates, which follows the industry closely.

According to Ehlers, the key to the success of consumer electronics is composed of a number of factors. One is that people view the products as more than just a purchase. They are seen as a long-term investment, which, in the case of many products, especially the VCR, can help stretch the entertainment budget and provide a very real value.

Consumer electronics products are also perceived as being very useful, giving customers the utility they are looking for in what can be a relatively high-ticket purchase.

Finally, according to Ehlers, they are a purchase made for the entire family. It's not Dad getting a new car or Mom getting a fur coat. It's a guilt-free buy that everybody is going to derive some pleasure from.

But this does not mean the customer is not going to be very cautious when it comes to choosing the product. "Consumers are now very much aware of product differences, very discriminating and very much quality and value conscious," said Ehlers. "He or she is more prone to comparison shopping."

People are tough to fool, he added. They know what products are no longer being produced and they know when someone's handing them a line. They are going to shop at stores where they find salespeople who can give them the information they need and successfully match the right product to their needs.

While price is a factor, it is not everything. The customer wants value, not just the most inexpensive product he can find.

Another factor which is becoming increasingly important is brand name. According to Ehlers, with the growing number of products being made by an ever-increasing number of manufacturers, customers are going to seek some comfort in a familiar name. They're going to opt for a company in which they have some degree of faith.

Who's hot

What kind of customers are buying consumer electronics products? According to Ehlers, it's a very broad group.

While the merchandise reaches almost everyone, the prime age bracket is 35 to 44, the largest current segment of the population (and a portion that's expected to increase by more than 33 percent in the next decade). These people have the income to afford the products and the maturity to be interested in some of the more sophisticated ones.

Within that age bracket, however, different people are interested in different items. Ehlers found, for example, that the average buyer of

(Continued on page 15)

Audience is still growing for consumer electronics

(Continued from page 12)

three popular products looks something like this:

- **Personal Computer**—a male, head-of-household, businessman or professional, with children under 12.
- **VCR**—similar, except with a lower income of under $25,000 for the household.
- **Cordless Telephone**—a female, head-of-household, with children aged 12 to 17.

Perhaps the most important point to be made here is that there are "no heavy users," Ehlers pointed out. There's no single, small group of people that's hooked on consumer electronics, buying everything in sight and likely to become satiated in the near future.

Instead, what we have is a diverse population dabbling in the market one product at a time. That man who bought the VCR is still a potential customer for a home computer. And the woman with the cordless phone may already be considering a VCR. The untapped potential is tremendous.

Also to be taken into consideration is the growing number of potential customers who are, as Ehlers puts it, "on the fence." His research shows that more and more consumers are leaving the "will not buy" group, particularly with VCR's and personal computers, and moving up to the fence.

As a result, this part of the market now represents seven to 12 percent of all consumers, "households which could be influenced to buy, given the appropriate message at the right time of year and at the right price," he said.

Still, there are problems

With all this success comes a few problems. Shortages, for example, could be developing in some categories.

Most manufacturers rely on outside sources for their supply of microprocessors (or chips or LSI's) used in everything from computers to telephones to stereo equipment. And there are other industries competing for these devices as well.

Additionally, it appears that the manufacturers failed to predict just how popular some of their products would be. VCR's, for example, are selling far better than anyone ever thought they would. The EIA now says that seven million units should be shipped this year.

Video cameras are another area that the industry may be underestimating, according to Ehlers.

How will the consumer react if faced with a shortage? Chances are he will not trade down, said Ehlers. The customer is going to have a pretty good idea of the features he thinks he needs.

He may be traded up to a more expensive product within reason. A jump from a $600 VCR to a $700 model would not be inconceivable.

There is, however, a ceiling. That frustrated customer in the $600 market would never go as high as, say, $1,200.

If he found the purchase he had in mind was going to be thwarted altogether, he would shift to another product, probably in the same area, said Ehlers. That VCR might, for instance, turn into a new stereo TV.

Other potential problems are altogether outside the control of the industry. Climbing interest rates would, without a doubt, affect consumer buying plans, although not necessarily for the worse.

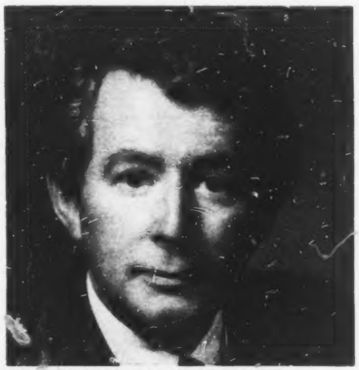
Ehlers noted that consumers, seeing interest rates climbing, might be prone to buy now, fearing that prices would go up in the future. People, he said, still remember well what it was like living with the high inflation rates of the late Seventies. "That fear runs deep." If they think prices are going to rise in the future, it will only accelerate their purchases.

Looking good

With all of these pluses and the few minuses added up, it should produce a very good fourth quarter.

"All the right things are happening," said Ehlers. "The consumers are confident. The election can only help. The country is on a roll, and people want to ride the crest of a good thing."

"And after all," he added, "Christmas is always the time to buy."



UNDERESTIMATING SALES may be one mistake consumer electronics vendors made this year, according to J. David Ehlers, president, Stamford Consulting Associates.

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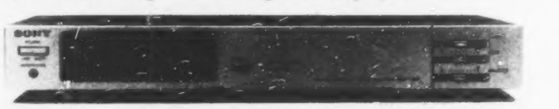

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*Only applies to programming broadcast in two languages.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **Terms of Endearment** *(Paramount)*	3	2
2. **Scarface** *(MCA)*	1	2
3. **The Right Stuff** *(Warner)*	—	1
4. **Silkwood** *(Embassy)*	2	2
5. **Christine** *(RCA/Columbia)*	6	2
6. **Gorky Park** *(Vestron;*	5	3
7. **Educating Rita** *(RCA/Columbia)*	—	1
8. **Sudden Impact** *(Warner)* **GP**	4	4
9. **Children of the Corn** *(Embassy)*	—	1
10. **Uncommon Valor** *(Paramount)*	7	3
11. **All the Right Moves** *(CBS/Fox)*	8	2
12. **Blame It On Rio** *(Vestron)*	—	1
13. **Mr. Mom** *(Vestron)*	12	6
14. **Raiders of the Lost Ark** *(Paramount)*	9	8
15. **Rear Window** *(MCA)*	14	2
16. **Trading Places** *(Paramount)*	10	5
17. **Under Fire** *(Vestron)*	13	4
18. **The Dead Zone** *(Paramount)*	11	4
19. **Two of a Kind** *(CBS/Fox)*	—	1
20. **Where's Poppa?** *(Key Video)*	—	1
21. **Tank** *(MCA)*	—	1
22. **Angel** *(Thorn EMI)*	20	2
23. **Caligula** *(Vestron)*	—	3
24. **The Lonely Guy** *(MCA)*	17	2
25. **National Lampoon's Vacation** *(Vestron)*	25	8
26. **Broadway Danny Rose** *(Vestron)*	—	1
27. **Vertigo** *(MCA)*	—	1
28. **D.C. Cab** *(MCA)*	15	4
29. **The Osterman Weekend** *(Thorn EMI)* **GP**	24	4
30. **Tootsie** *(RCA/Columbia)*	30	6

Top 10 in videocassette sales

1. **Terms of Endearment** *(Paramount)*	2	2
2. **Jane Fonda's Workout** *(Karl Home Video)*	1	25
3. **Mickey** *(Walt Disney)*	9	2
4. **The Making of Michael Jackson's Thriller** *(Vestron)*	3	7
5. **Raiders of the Lost Ark** *(Paramount)*	4	9
6. **Donald** *(Walt Disney)*	—	1
7. **The Right Stuff** *(Warner)*	—	1
8. **Trading Places** *(Paramount)*	7	5
9. **Scarface** *(MCA)*	5	2
10. **Silly Symphony** *(Walt Disney)*	—	1

Top 5 in CED videodisc sales

1. **Scarface** *(MCA)*	1	2
2. **Terms of Endearment** *(Paramount)*	—	1
3. **Christine** *(Paramount)*	—	1
4. **The Dead Zone** *(Paramount)*	—	1
5. **Silkwood** *(Embassy)*	—	1

Top 5 in laserdisc sales

1. **The Right Stuff** *(Warner)*	—	1
2. **Terms of Endearment** *(Paramount)*	—	1
3. **Scarface** *(MCA)*	1	2
4. **Rear Window** *(MCA)*	—	1
5. **The Making of Michael Jackson's Thriller** *(Vestron)*	—	5

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO SOFTWARE/NEW RELEASES

CBS/FOX VIDEO

THE LAST WALTZ The film records the farewell performance of The Band. It includes interviews with each of the members as well as 12 of their best songs. During the concert, The Band is joined by legends such as Bob Dylan, Muddy Waters, Joni Mitchell and Neil Young. *Color PG 117 minutes VHS hifi Beta hifi C: $29.98.*

ROMANCING THE STONE (1984) A recluse author who lives in the fantasy world of the stories she creates teams up with a rugged jungle hunter and the two go searching for buried treasure. It is the story of intrigue, kidnapping and romance. The producer/director/star of the film is Michael Douglas. *Color PG 106 minutes VHS hifi Beta hifi C: $79.98.*

EMBASSY

A MINOR MIRACLE (1983) John Huston stars in the story of two stubborn priests, the world's foremost soccer player and a dozen dirty orphans who band together to save the orphans' home from being condemned by local city planners. It also stars Pele. *Color G 100 minutes C: $59.95 LV: $34.95.*

CHAMPIONS (1984) The film dramatizes the true story of Bob Champion, a successful steeplechase jockey who battled back from near-fatal cancer to win Britain's highest racing event, the Grand National. It stars John Hurt. *Color PG 113 minutes C: $69.95 LV: $34.95.*

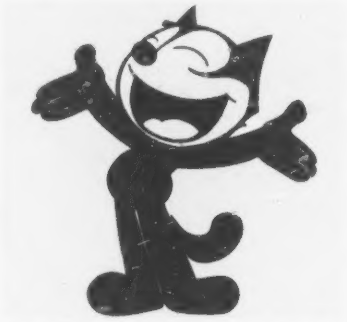
THE NEST (1981) A lonely 60-year-old widower befriends a young girl and their relationship reveals the tragedy and beauty of human nature. It stars Hector Alterio. *Color G 109 minutes C: $59.95.*

MCA

U2 LIVE AT RED ROCKS: UNDER A BLOOD RED SKY This hour-long concert was filmed at the Red Rocks Amphitheater, just outside Denver. The video features hits like Sunday Bloody Sunday, I Will Follow and October. The Dublin-based band was named Top Band of the Year by Rolling Stone magazine. *Color 60 minutes C: $29.95.*

WHERE THE BUFFALO ROAM (1980) Bill Murray stars as journalist Dr. Hunter S. Thompson. The movie is a wild trip through Thompson's bizarre world as he tries to cover stories like the 1972 Presidential campaign, Super Bowl VI and gunrunning to Latin American guerillas. As each deadline approaches, Thompson becomes side-tracked into impossible situations. *Color R 98 minutes Beta hifi mono VHS Dolby B mono C: $59.95.*

MEDIA



FELIX'S MAGIC BAG OF TRICKS As always, the Professor is in hot pursuit of Felix, attempting to steal the magic bag of tricks. The little cat is challenged to a medieval duel and overcomes a mechanical Felix, which the magic bag of tricks believes is him. With a few tricks, Felix is able to beat the professor once again. *Color 60 minutes C: $29.95.*

FISH HAWK (1979) Fish Hawk, an old Indian who's lost his entire family to smallpox, takes up a quest to track down and kill a bear that has been terrorizing an Ozark town. During his hunt, he meets a young boy who becomes his friend, but he must eventually leave the boy as he goes to live out his last days on the land of his people. *Color G 95 minutes C: $59.95.*

THE LIGHT AT THE EDGE OF THE WORLD (1971) Three men who guard an isolated lighthouse at the southernmost tip of South America are attacked by bloodthirsty pirates who want the lighthouse to plunder and destroy passing ships. The sole survivor of the onslaught (Kirk Douglas) pits himself against the pirate leader (Yul Brynner). The tale, written by Jules Verne, portrays the ultimate battle between good and evil. *Color PG 126 minutes C: $69.95.*

THE SLIM GOURMET (1984) Barbara Gibbons, writer of the Slim Gourmet column which appears in numerous newspapers demonstrates gourmet recipes with calorie-cutting substitutes. Gibbons reveals dozens of recipes for salads, meats, fish, pasta and desserts. McLean Stevenson (M*A*S*H) narrates. *Color 90 minutes C: $39.95.*

MGM/UA

ZABRISKIE POINT (1970) Director Michelangelo Antonioni cast 20-year-old unknowns Mark Frechette and Daria Halprin in a counter-culture film about two young iconoclasts who meet in Death Valley. The screenplay was co-written by Sam Shepard (The Right Stuff) and the music was composed and performed by Pink Floyd. *Color R 111 minutes C: $59.95.*

WHERE THE BOYS ARE (1960) The story of four college girls who go south to look for fun and romance and find both. The cast includes George Hamilton and Connie Francis. *Color 99 minutes C: $59.95.*

(Continued on page 28)

A GRALLA PUBLICATION

SEPTEMBER 1984

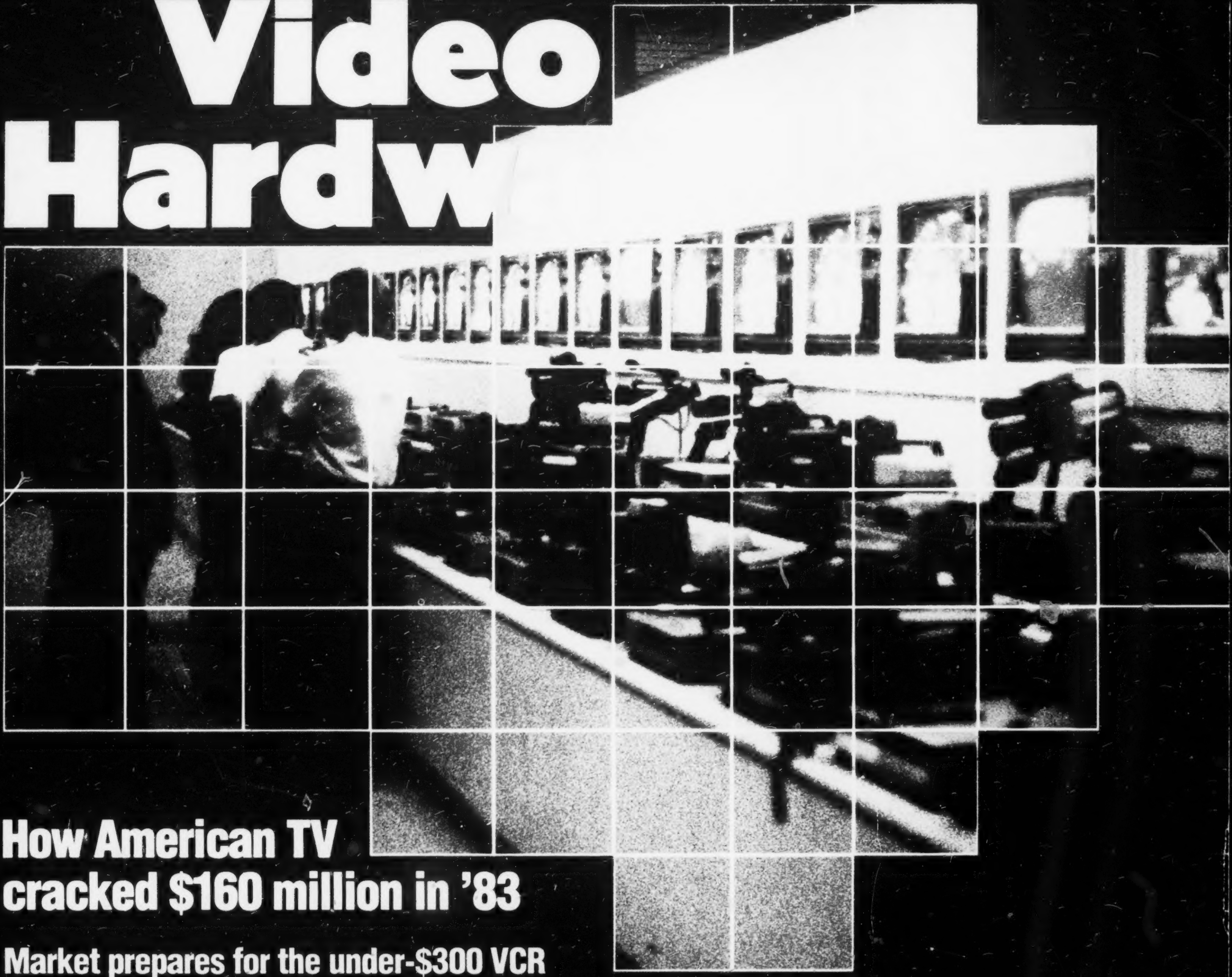
Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Retailers build the best year ever in...

Video Hardw



How American TV cracked $160 million in '83

Market prepares for the under-$300 VCR

What's available in stereo televisions?

Asimov and others predict the future of home video

In search of the perfect projection TV salesperson

Also in this issue:

- Competition picks up in the $1.5 billion rent-to-own industry
- What's hot in housewares?
- Some stores turn their backs on low-end computers
- New appliance colors generate interest and confusion at retail
- Commodore prepares for life beyond the 64

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Merchandising

FOR OVER 56,200 RETAILERS & WHOLESALERS

September 1984
Our 77th Year
Vol. 9, No. 9

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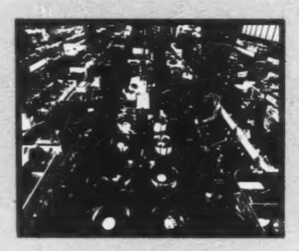

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WHAT'S HOT IN HOUSEWARES?

Home healthcare heads list of strong sellers

By Michael Garry, associate editor

NEW YORK—What's hot this year in housewares? While your cash register may have already told you, *Merchandising* offers herewith an unofficial industrywide tally of the products that are scoring the greatest success in 1984.

Based on conversations with key manufacturers throughout the housewares industry, the study (summarized in the chart to the right) points to rapid growth in certain areas, including home healthcare products, ultrasonic humidifiers and travel irons. Hand-held vacuums continue their impressive rise, while microwave cookware, gas grills and security timers also are exercising a strong pull on consumers' dollars. Meanwhile, a relatively new product—the combination heater/fan—has jumped into contention as one of the year's hottest products.

WHAT'S HOT?

Products expected to generate significant increases in unit sales this year.

	Projected '84 unit sales to dealers (in thousands)	% Change from '83
Hand-held Vacuums	6,000	+20.0%
Travel Irons	1,000	+15.0%
Ultrasonic Humidifiers	150	+83.0%
Fan/Heater Combinations	500	NA
Gas Grills	2,820	+20.3%
Blood Pressure Monitors	2,000	+42.8%
Digital Thermometers	1,250	+150.0%
Digital Scales	3,000	+33.3%
Microwave Cookware	24,826	+17.5%
Timers	5,600	+17.5%

All figures gathered from housewares manufacturers.

Other housewares items also are growing at a healthy, if less spectacular, rate. Chief among these are space-saving kitchen electrics, which have breathed new life into the can opener and coffee maker categories. Meanwhile, many other kitchen appliances are faring well and personal care products continue to register modest gains.

Home healthcare booms

Hotter than most housewares items this year are home healthcare products, especially blood pressure meters and digital thermometers and scales. This category has been propelled by spiraling health costs, an aging population and greater health consciousness.

Shipments of digital thermometers alone are expected to rocket 150 percent this year. "A digital thermometer is as different from a traditional analog unit as a refrigerator is from an icebox," said William Lenahan, manager, healthcare division, Norelco.

Consumers, he added, are starting to appreciate the benefits offered by digital models, such as speed, accuracy, legibility and durability.

"Because analog units are easy to lose or break," he noted, "consumers tend to buy two to three a year. But digital units are geared to last five to seven years, so their price value is obvious."

Digital scales are also profiting from an interest in home healthcare, with shipments expected to rise 33.3 percent to three million units. "There are 60 million mechanical units out there," Lenahan noted, "and many consumers will eventually replace them with digital models. Our only problem is being able to produce enough."

Meanwhile, the blood pressure monitor—considered the cornerstone of the category—should reach two million units this year, a rise of 42.8 percent. Vendors are striving to reach the millions of Americans who suffer from some form of high blood pressure and could greatly benefit from monitoring themselves.

Ultrasonic humidifier soars

Another high flier this year is the ultrasonic humidifier. Shipments of the product are expected to jump to 50,000 units—a whopping 83 percent increase.

"The public perceives this product as an advancement over traditional humidifiers," said Howard Lorsan, vice president of marketing of Welbilt. "The ultrasonic device is silent and offers a high-tech look which appeals to people."

Bill Irvine, vice president of sales and marketing, Northern Electric, pointed out that while the ultrasonic humidifier is considered expensive now, the recent entry of numerous vendors is likely to cause price points to plummet at retail. "On a promotional basis, the price of a unit should be a third less than it was last year," he said.

A product whose success over the past few years has carried into 1984 is the hand-held vacuum. A 20 percent increase in shipments is expected, bringing total units to six million.

"The hand-held has become the second vacuum for many consumers," said Cliff Wood, marketing services manager, Hoover. "This has caused sales of uprights and sticks to be replaced by sales of hand-held models."

But Wood added that 1984 may be the peak year for this product; he predicted that unit shipments will dip to 4½ to five million units during the next two years. "This year, all the manufacturers are heavily promoting this item, even adding on rebates," he noted. "But this activity should diminish by next year."

It's no secret that sales of products designed for travel have been red hot in the housewares marketplace. In travel irons alone, a 15 percent increase in shipments is expected, boosting the total to a million units.

One company, Sanyei, has reported a 300 percent increase in unit shipments of travel irons for the firm this year.

Other travel appliances, like steamers and travel clocks, are also doing well. And converters and adaptors are gaining importance as accessories in the travel category.

Closer to home, the grill market continues to undergo some basic transformation. Gas units are emerging as the clear winners in a field that includes charcoal and electric grills; shipments of the gas models are expected to leap 20.3 percent to a total of 2,820,000.

"Gas grills are by far the most rapidly growing segment of the grill industry," said Tom Welch, president, Sunbeam Leisure Products. "They command the lion's share of retail promotional activities and advertising dollars. Much of this is at the expense of charcoal and electric units."

Indeed, charcoal grills, while still the largest segment of the market, are expected to drop off slightly to 10.5 million units. Electric grills are projected to edge up to 100,000 units shipped.

With barbecuing going on in the backyard, programmable timers are increasingly being used to create a "lived in" look inside the house. An impressive 17.5 percent increase is expected, bringing shipments to 5,600,000 units this year.

According to Jim Serra, consumer products sales and marketing manager, AMF/Paragon, the growth is coming in electronic wall and plug-in timers at the expense of electromechanical units, which are actually down in shipments. "The electronic models are more efficient, simpler to

(Continued on page 16)

CAN OPENERS AND COFFEE MAKERS are two of the products in the space-saving appliance category that are experiencing increasing sales this year, report many housewares vendors.

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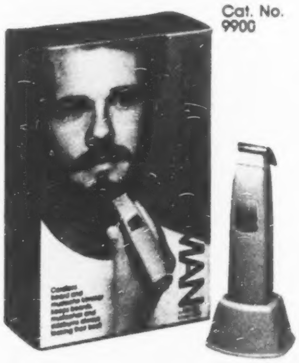

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WHAT'S HOT IN HOUSEWARES?

Micro Accessories

DEMAND FOR MICROWAVE cookware and accessories is expected to result in a 17.5 percent increase in shipments during 1984.

Lower prices help spur electronic timer growth

(Continued from page 15)

use and more aesthetically pleasing," he said. "Besides that, price points have dropped dramatically from what they were three years ago."

With saturation for microwave ovens reaching 33 percent, the demand for cookware and accessories has predictably increased. An expected 17.5 percent rise in shipments this year will put total units (including plastic, ceramic, stoneware, glass and others) at 24,826,000 units.

"The introduction of compact microwaves has expanded the market," commented Mark Donlon, product manager, microwave, Regal Ware. "The ovens are simpler to use, and consumers are more at ease with them. This has created a demand for additional products."

Tom Brust, marketing manager, Nordic Ware, noted that consumers are becoming more knowledgeable about microwave cooking and are beginning to experiment. "The ovens are not just being used to heat a cup of coffee," he said, adding that beefed-up advertising and promotions by manufacturers are helping to stir excitement.

In the heaters category, the combination heater/fan has emerged this year as "the glamour product of the industry," said Jerry Jacques, director of sales, National Presto. The product is expected to hit the half million mark in shipments.

"Everybody's jumping on the bandwagon with this product," said Jacques. "It fills consumers' needs at the right price." Jim McCusker, president of DeLonghi America, called it "very modern, small, portable and multifunctional."

The oil-filled heater, meanwhile, has received favorable reviews. Lorsan of Welbilt described the product as being up 20 percent industrywide in shipments over last year. "The item was hot last year because there was nothing of consequence competing with it," he said. This year, the heater should continue to do well, and retail prices should be down, he added.

Space-savers catch on

The growth in the coffee maker and can opener categories is being at least partly attributed to the impact space-saving units are having on the market. Sunbeam's vice president of marketing, Paul Saxton, said that sales of under-the-cabinet coffee makers have doubled the firm's expectations.

The space-saving can opener has been a "big hit" for Sunbeam, Saxton said. He predicted a 10 percent growth in the category industrywide, largely on the strength of the under-the-cabinet units.

A surprising favorite among many kitchen electrics vendors is the iron. Bolstered by introductions boasting electronic safety features, manufacturers are projecting as much as a 20 percent growth in shipments this year.

Said Saxton: "We've shipped four to six times as many electronic Monitor irons as we thought we would. Distribution is everywhere, and the product is selling off the shelf even without promotions. Apparently, there was a pent-up demand for a 'safe' iron. This type of product has expanded the whole category and raised price points."

In other kitchen electrics, the frypan and toaster-oven look to be healthy categories this year. For the sake of convenience and speed in food preparation, consumers appear to be turning to these devices, vendors said. Norelco's Moeller projected a 10 percent growth in shipments of toaster-oven-broilers.

In cookware, some manufacturers believe stainless steel and aluminum have been fairly flat in the first half, but should pick up steam in the second half of the year. This could lead to increases in shipments of stainless steel of between 10 and 20 percent.

Meanwhile, personal care products have turned in a modest performance this year. Carola Crowley, manager, beauty care division, Norelco, predicted five to six percent increases in shipments for both hair dryers and curling irons/brushes and a 10 percent rise for makeup mirrors.

The high saturation rate in personal care prevents it from being a booming category, said Anne Sakalay, product marketing manager for Sunbeam. A large percentage of the business comes from replacement purchases.

"We need revolutionary innovations—not just product enhancements—to create real growth in the market," she said.

Housewares Trendings appears on page 10

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **The Right Stuff** *(Warner)* **GP**	3	2
2. **The Big Chill** *(RCA/Columbia)*	—	1
3. **Terms of Endearment** *(Paramount)*	1	3
4. **Educating Rita** *(RCA/Columbia)*	7	2
5. **Blame It On Rio** *(Vestron)*	12	2
6. **Scarface** *(MCA)*	2	3
7. **Silkwood** *(Embassy)*	4	3
8. **Tank** *(MCA)* **GP**	21	2
9. **Lassiter** *(Warner)*	—	1
10. **Children of the Corn** *(Embassy)*	9	2
11. **Uncommon Valor** *(Paramount)*	10	4
12. **Unfaithfully Yours** *(CBS/Fox)*	—	1
13. **Christine** *(RCA/Columbia)*	5	3
14. **Sudden Impact** *(Warner)* **GP**	8	5
15. **Gorky Park** *(Vestron)*	6	4
16. **Broadway Danny Rose** *(Vestron)*	26	2
17. **All the Right Moves** *(CBS/Fox)* **GP**	11	3
18. **Vertigo** *(MCA)*	27	2
19. **Harry and Son** *(Vestron)*	—	1
20. **Two of a Kind** *(CBS/Fox)*	19	2
21. **Rear Window** *(MCA)*	15	3
22. **Raiders of the Lost Ark** *(Paramount)*	14	9
23. **The Dead Zone** *(Paramount)*	18	5
24. **Where's Poppa?** *(Key Video)*	20	2
25. **Trading Places** *(Paramount)*	16	6
26. **Romantic Comedy** *(CBS/Fox)*	—	1
27. **Under Fire** *(Vestron)*	17	5
28. **D.C. Cab** *(MCA)* **GP**	28	5
29. **Repo Man** *(MCA)*	—	1
30. **Mr. Mom** *(Vestron)*	13	7

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Home Video)* **GPI**	2	20
2. **Terms of Endearment** *(Paramount)*	1	3
3. **Mickey** *(Walt Disney)*	3	3
4. **The Making of Michael Jackson's Thriller** *(Vestron)* **GP**	4	8
5. **The Big Chill** *(RCA/Columbia)*	—	1
6. **Raiders of the Lost Ark** *(Paramount)*	5	10
7. **Scarface** *(MCA)*	9	3
8. **Donald** *(Walt Disney)*	6	2
9. **Do It Debbie's Way** *(Video Associates)*	—	3
10. **Vertigo** *(MCA)*	—	1

Top 5 in CED videodisc sales

1. **Scarface** *(MCA)*	1	3
2. **Christine** *(Paramount)*	3	2
3. **Silkwood** *(Embassy)*	5	2
4. **Terms of Endearment** *(Paramount)*	2	2
5. **Children of the Corn** *(Embassy)*	—	1

Top 5 in laserdisc sales

1. **Terms of Endearment** *(Paramount)*	2	2
2. **Scarface** *(MCA)*	3	3
3. **The Right Stuff** *(Warner)*	1	2
4. **Raiders of the Lost Ark** *(Paramount)*	—	7
5. **Lassiter** *(Warner)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX VIDEO

EL NORTE Two young Indians, a brother and a sister, travel from their remote Guatamalan village to the promised land—Los Angeles. When Enrique and Rosa reach Los Angeles, their struggle continues—they must learn to exist in an alien culture. The film is in Spanish with English subtitles. *Color 141 minutes R C: $59.95.*

YENTL Barbara Streisand portrays a courageous young woman whose educational freedom leads her into an unorthodox adventure. Disguised as a man, she enters a Yeshiva (an orthodox school) where she befriends a fellow student, Avigdor (Mandy Patinkin). The film is based on Isaac Bashevis Singer's short story, Yentl, the Yeshiva Boy. *Color 134 minutes PG Beta hifi VHS hifi C: $79.98.*

EMBASSY

WHO HAS SEEN THE WIND (1979) Ten-year-old Brian faces the inequities of the adult world as he grows up in a small town during the Depression. The film is a loving portrait of childhood. *Color 102 minutes.*

FAMILY HOME ENTERTAINMENT

BLACKSTAR (Vol. III) John Blackstar continues his sagas of fighting for forces of evil. Fantasy and adventure highlight this film. *Color Beta hifi VHS stereo C: $29.95.*

GUMBY FOR PRESIDENT (Vol. IX) "Think green—don't be a dumby, vote for Gumby" is this character's presidential campaign slogan. The green man represents the Fun and Family party with a campaign promise of fun for the whole family. *Color Beta hifi VHS stereo C: $29.95.*

MCA

ICEMAN (1984) Man's ancient mysteries and the futuristic world of frozen immortality come together in this unusual drama starring Timothy Hutton with Lindsay Crouse and John Lone as the 40,000-year-old iceman who wakes up in a modern world. When a team of scientists finds a preserved prehistoric man in Arctic ice, they succeed in bringing him back to life. *Color 101 minutes PG Beta hifi VHS Stereo C: $69.95 LV: $29.98.*

SIXTEEN CANDLES (1984) John Hughes wrote and directed this warm-hearted tale of Samantha Baker's sweet sixtee[illegible]nager Samantha (Molly Ringwald) copes with creepy freshmen, a spoiled sister's wedding, confused parents and the big blond on campus who stands between her and the boy of her dreams. *Color 93 minutes PG Beta hifi C: $79.95.*

MGM/UA

HAVE I GOT A STORY FOR YOU Shari Lewis and superstar puppets Lamb Chop, Charley Horse and Hush Puppy return to the screen again. The gang is babysitting for a pygmy chimp who is driving them bananas. *Color 60 minutes C: $29.95.*

MAKING THE GRADE (1984) Meet Judd Nelson as Eddie Keaton. He owes big bucks to hoods and, as a street kid from New Jersey, is desperately looking for a way out. Eddie is invited to pose as super-preppy Palmer Woodrow III (a rich slob who prefers to do just about anything over going to school). But can he make the grade? *Color 105 minutes Beta hifi C: $79.95.*

PARAMOUNT

RACING WITH THE MOON Elizabeth McGovern and Sean Penn star in this bittersweet tale of lost innocence and the trauma of growing up too fast. The film chronicles the story of Henry "Hopper" Nash (Penn) and his buddy Nicky (Nicholas Cage) enjoying their last boyish exploits before going off to World War II. *Color C: $59.95 LV: $29.95 CED: $29.95.*

RCA/COLUMBIA

THE DRESSER Albert Finney portrays Sir, an actor/manager and Tom Courtenay is his dresser Norman, who has dedicated his life to Sir and the theater. The film is rich in comedy and compassion. *Color 119 minutes PG Beta hifi C: $79.95.*

ZIGGY STARDUST AND THE SPIDERS FROM MARS: THE MOVIE David Bowie is featured in this classic rock film which includes the hit songs Changes, Space Oddity and Ziggy Stardust. The film is a Mainman production in association with Pennabaker Associates, Inc. *Color 90 minutes Beta hifi C: $29.95.*

WALT DISNEY

ANIMAL QUIZ (Vol. IV) Children and parents test their animal expertise and rate themselves either Wildlife Beginner, Wildlife Tracker or Wildlife Expert following the test on all volumes of Animal Quiz. This volume includes Secrets of the Desert, Shark and Masai Riddle. *Color 84 minutes C: $39.95.*

WARNER

SWING SHIFT (1984) Goldie Hawn plays a World II California housewife who enters the workforce after her husband enlists. During her work days in an aircraft plant, she acquires a new best friend (Christine Lahti), a new romance (Kurt Russell) and a new self-assurance that characterized women during the war. *Color 100 minutes PG C: $79.95 LV: $34.98.*

A GRALLA PUBLICATION

OCTOBER 1984

Merchandising

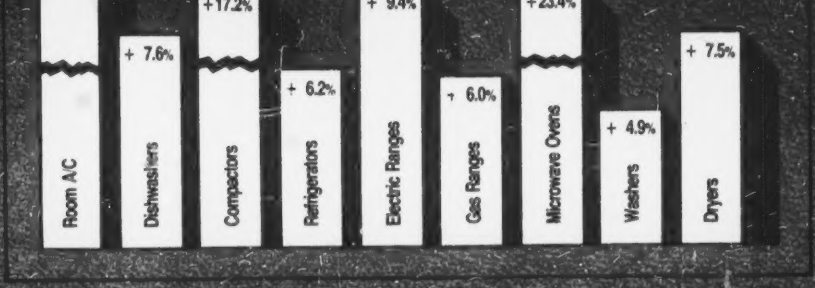
Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Retailers pick 1984's housewares winners
■
Black & Decker brand appliances unveiled
■
Home healthcare products earn acceptance
■
Travel electrics section builds sales at Younkers
■
Vendors tout electronic programmable thermostats

First October show kicks off a fantastic fall for housewares

Manufacturers make sales projections for full-year 1984



Also in this issue:

- ■ Video software vendors step up promotions
- ■ Audio Round Table: Fine tuning a steady market
- ■ Mass merchants hang on with low-end computers
- ■ Easy sales send retailers' refrigerator sales up 10-60%
- ■ More retailers pick up on the pager market
- ■ Help wanted: Trained clerks to sell microwave ovens
- ■ Computer peripherals fight for a foothold

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Our 77th Year
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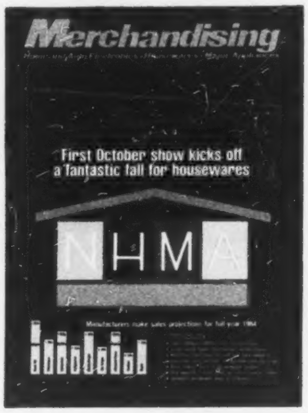
Merchandising
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NHMA

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Microwaves, air conditioners push majaps to what should be the best sales year ever

WHAT'S HOT?

	Projected '84 unit sales to dealers (in thousands)	% Change from '83
Room Air Conditioners	2,647	+32.2%
Dehumidifiers	480	+9.8%
Dishwashers	3,328	+7.6%
Built-In	3,072	+8.5%
Portable	256	−2.3%
Disposers	3,800	+7.2%
Compactors	184	+17.2%
Refrigerators	5,814	+6.2%
Freezers	1,283	−4.3%
Upright	607	−5.0%
Chest	676	−3.7%
Electric Ranges	3,013	+9.4%
Free-Standing	2,400	+9.6%
Built-In	613	+8.9%
Gas Ranges*	1,667	+6.0%
Freestanding & Set-In*	1,479	+6.4%
High Oven*	92	+7.0%
Built-In*	95	−1.0%
Microwave Oven/Ranges	7,320	+23.4%
Washers	4,840	+4.9%
Dryers	3,540	+7.5%
Electric	2,812	+7.2%
Gas	728	+8.3%

Figures courtesy of
the Association of Home Applicance Manufacturers (AHAM)

*Figures obtained from a consensus survey of
members of the Gas Appliance Manufacturers Association (GAMA)

By Nancy Markov, field editor

CHICAGO—Major appliances are hot. Shipments this year should surpass 1973's numbers, the largest year in appliance history. Two reasons are microwave ovens and room air conditioners, both of which are having banner years due to the loosening of disposable income and the stronger economy. Room air conditioner sales were also given a boost by record-breaking temperatures in some parts of the country.

It's significant, however, that other, more mature major appliance categories, such as refrigerators and ranges, have continued to show strength this year.

The sales momentum begun in 1983 has continued right through 1984 due to stable interest rates, consumer confidence in the economy, a healthy number of housing starts and a positive consumer index through the first three quarters of the year. And even though housing starts have begun to soften, the three- to six-month time lag between the start of construction and its finish (which is when the appliances are set in place) ensures continued appliance action into the first quarter of 1985.

Microwaves are number one

Microwave ovens have achieved the status of being the largest single product category in the industry in terms of unit volume, outpacing the former leader, refrigerators.

Shipments of microwave oven/ranges this year are expected to reach the 7.3 million mark, a 23.4 percent gain (*see chart at right*). And there are some in the industry who believe that strong fourth quarter selling at retail could push the number even higher—to shipments of over eight million units.

One reason 1984 has been so strong, noted Ron Whitford, merchandising manager, microwave products, Whirlpool, is the heavy buying patterns that began the year. The activity reflected the pent-up demand for product resulting from shortages at retail in the last quarter in 1983. The subsequent buildup of supplier and dealer pipelines boosted shipment totals.

The growth of ovens is also attributable to the changes in the consumer base. There are more working wives, single and single parent households and children using microwave ovens. To appeal to these various consumer groups, the market is continually segmenting into definable categories.

The momentum of compacts (0.8 cu. ft. and under), which took hold of the industry a couple of years ago creating explosive growth, continued right into 1984. The smaller exterior dimensions of the units answer the needs of the consumer short on counter space. Simple controls make reheating and defrosting functions a snap. The lower price points—below the $200 mark—put microwaves in the hands of the less affluent clientele who until now simply could not afford to purchase one.

Compacts have also proven to be strong sellers as "second" ovens for use in another room in the primary home, in summer homes, recreational vehicles, college dorm rooms, etc. Too, the marketing of compacts in mass merchant operations, even supermarkets, has made acquiring one as convenient a take-out purchase as a popcorn popper.

While compacts are moving like gangbusters, siphoning off some of their potential volume is the expanded and quickly growing mid-size range (0.8 to 1.0 cu. ft.). Many would-be compact purchasers have been traded up at point-of-sale to these more fully featured models. The higher wattages offer faster cooking power; the larger cavity size allows for use of bigger pans.

Targeting the mid-size as a significant growth market, many manufacturers have entered this area or increased their offerings in this category, noting that mid-size units offer the consumer "the best of both worlds." Many of the units are featured identically to manufacturers' full-size offerings. Meanwhile, features on many compact models are also being upgraded.

Expected to expand the market still further is the under-cabinet configuration introduced by two suppliers this past summer. Additional product introductions are anticipated from other manufacturers before the end of the year.

One model, the 0.5-cu.-ft. Little Litton subcompact, is designed to be positioned under the cabinet, answering the needs of the consumer with just no counter space to spare.

General Electric is also addressing those consumers with no counter space. It is offering the 0.8-cu.-ft. Spacemaker II. Said Charlie Madanick, general manager, product management department, "Consumers today require productive use of space without compromising quality and performance."

Certainly today's oven consumer has a choice based on his cooking needs. Noted Peter Caravella, vice president, marketing and sales, Litton, "Today's market is more segmented, sophisticated highly competitive and consumer driven."

And without a doubt, "the consumer will get the best value for his dollars this year," said one industry spokesman. The increasingly competitive, even cutthroat, pricing in the category has continued to stimulate retail activity and boost production.

Touch-control models which retailed for over $500 just a few years ago can now be had for around $259. Mechanically controlled mid-size units are available for around $199, $239 with touch controls; and compact units have been found in the marketplace selling for as low as $99. Competition by retailers for the microwave consumer remains fierce; prices are being slashed to cost in many operations in an effort to maintain volume.

The scenario should remain the same through the fourth quarter. Said Whitford, "Even though there has been some softening of microwave sales in the marketplace over the past

(Continued on page 53)

Hot major appliances make gains in economic upswing

(Continued from page 38)

two to three months, as much as 60 percent of the retail volume is still transacted in the fourth quarter; 30 percent in the month of December alone. Inventories are in place; fourth quarter promotions have begun."

Heat wave empties pipelines

Room air conditioners is another category which could exceed the charted projections of a 32.2 percent increase in shipments this year. In fact, said one industry spokesman, the category could finish up way ahead—with gains of 60 to 65 percent—because of the outstanding 1984 retail selling season.

The industry came out of 1983 with empty pipelines, thanks to a sell-out season resulting from the heat wave that blanketed many parts of the country.

Manufacturers' production replenished retailers' empty shelves earlier this year. Then the record-breaking temperatures struck in mid-June, primarily in the Northeast and Mid-Atlantic states. Hot temps assaulted the Southwest and Southeast later in the season.

All sizes and price points sold, said dealers and manufacturers. Consumers lined up outside of appliance stores, sometimes for hours, for the chance to purchase "anything that cooled."

Suppliers continued producing through the crisis, although there were some spot shortages and sell-outs on certain models. Reportedly, some manufacturers even began producing on their 1985 allocations in June just to meet retail demand.

Refrigerators are also selling well this year. Noted Chuck Dowd, vice president of sales and marketing, Admiral Group, "The much-awaited replacement cycle came on with a vengeance. The category could show as much as an 18 percent increase industrywide in 1984."

Said Chuck Harris, manager of marketing planning, refrigeration products, General Electric, "Stable interest rates, consumer confidence in the economy and strong activity in the builders' market have all contributed to a healthy refrigerator business. Momentum from a strong 1983 carried over, as did pent-up demand for the product. Many consumers said to themselves, 'let's make the purchase we've been postponing.'"

A number of the consumers making a refrigerator purchase are trading up to a better-featured product, said Dowd. "When the consumer is replacing durable goods, he wants a better product. If he hasn't had no-frost before, he goes for that. He may trade up from a 14-cu.-ft. unit to an 18-cu.-ft. model, even though the family size may be smaller. Automatic ice makers have also been in demand."

But not all of the growth in 1984 is due strictly to builder-related or replacement sales, pointed out Dowd. "In the latest surge of the market, there is probably a fair amount of early retirement of still operating refrigerators. Unemployment is down and disposable income has risen. The discretionary component has surely accounted for some of this year's activity."

What may have had somewhat of a negative effect on shipments of refrigerators and other appliances, however, is the color issue, Dowd continued. Confusion on the part of dealers and consumers, he said, may have thwarted what could have been an additional spurt of replacement sales.

Replacement sales should continue into 1985, said Harris, but a slowdown in builder sales due to rising interest rates will mean less growth for the category overall.

Surprisingly, said Harris, it is the health of the economy that has contributed to the downturn in freezer shipments of 4.3 percent. This industry runs counter-cyclical to the economy, he pointed out. When disposable income is flowing, the consumer is in the market frequently and can store what he needs in the freezer section of his refrigerator. When the economy is down, there is more of a tendency to buy and store large quantities of food to save money. Consequently, freezers sell best at these times, he pointed out.

The dishwasher market has gotten a shot in the arm because of the strong builders' market this year. The inclusion rate of dishwashers in new homes is about 75 to 80 percent, said Stu Dean, manager of marketing planning for dishwashers, General Electric.

Because of that activity, as well as replacement sales, it's been another good year for the category. The industry could see an increase in shipments of up to 13 percent, Dean noted. Even so, the market is far from reaching its potential. Saturation is estimated at around 45 percent.

"Electronic solid-state controls have been favorably received by consumers, and the margins on these units, retailing for over $450, are more attractive to dealers," he pointed out. This segment accounted for about 16 percent of the retail built-in dishwasher industry in 1981; it is slightly over 23 percent for 1984, he noted.

Dean added that the industry is offering better products in high-end models. Most business, however, remains concentrated in the $299 to $399 price range.

A mature market, ranges have benefitted from the upturn of the economy and the release of pent-up demand for what is one of the most often postponed appliance purchases.

Electric ranges are pegged for a modest degree of growth—around a 9.4 percent increase to three million units this year. Shipments in gas ranges should show a lower gain—of about six percent.

Said Ray Dowling, president, Caloric Corp., sales in the latter category are essentially replacement purchases, not stimulated by activity in the builder's market. "The placement of gas pipelines ceased when the energy shortage developed several years ago. Utilities got out of laying new lines in new housing developments. Consequently, except for replacement sales, the gas range category is essentially dormant with little growth anticipated for the future."

Laundry products should also surpass last year's shipment numbers. "It's been a strong year," said White Consolidated's Schafer. "Washers could end up about 12 to 13 percent ahead in units; dryers about 13 to 14 percent ahead."

"Laundry is a stable business which has been aided by the recovery of the economy," he pointed out. "It's not tied to the builder's market as are other appliance categories. It's a heavy replacement business."

Since a lot of the equipment in consumers' homes is 10 to 15 years old, he added, this strong replacement cycle should continue.

While the bulk of the washer business remains in sales of multi-cycle, multi-speed models retailing in the neighborhood of $379 to $399, Schafer pointed out that there has been increased interest this year in the single-speed units. Pricing is very sensitive in laundry equipment. Units in the $329 to $349 range have taken a larger share of the business than they have in previous years.

In dryers, the auto dry feature or a device that measures moisture to ensure perfect drying every time is becoming an important feature to more consumers, said Schafer. This is especially true with replacement buyers, he said.

Efficiency standards threaten majap vendors

(Continued from page 40)

very difficult to communicate with the customer about energy efficiency," he said.

Still worse, in some states there is more than one standard to deal with, Langmead pointed out. For example, in Virginia, Fairfax County requires all water heaters sold to meet a standard included in the country's building code. But in Loudin County, only new buildings are required to have heaters meeting those specifications. Products sold at retail are not covered.

"This is happening in a lot of states," Langmead noted. "Our problem is that we can't keep track of all of them."

Existing standards for room air conditioners in California, New York and Minnesota are already having an impact on sales, Anderson said.

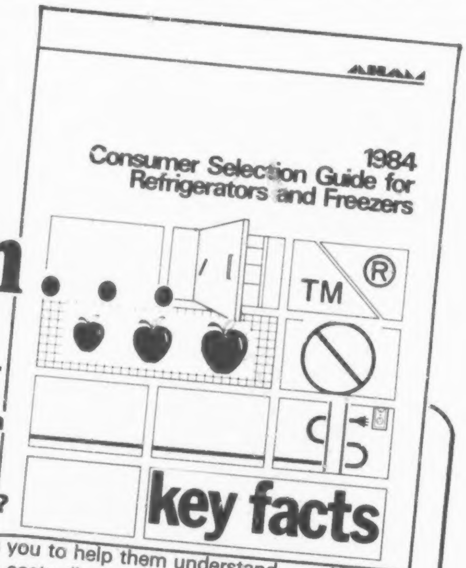
In other cases, the standards are lower than customary industry practices provide—refrigerators, for example, he said.

As another illustration, earlier this year, the DOE approved laws in five states—California, Minnesota, New York, Oregon and Wisconsin—which prohibit pilot lights in gas-burning stoves, ovens or clothes dryers.

But Langmead pointed out, no products are manufactured today with pilot lights.

Both Anderson and Langmead argue that most home appliances have reached peak efficiency over the past few years as a result of competition and consumer demand. Thus, they contend, federal energy standards are not necessary.

"Either there should be a national standard or no standard at all," said Anderson. "This is a national problem. We can't deal with it on a state-by-state basis."



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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

TITLE	Last month's position	Months on chart
1. **The Big Chill** *(RCA/Columbia)*	2	2
2. **Romancing The Stone** *(CBS/Fox)*	—	1
3. **Footloose** *(Paramount)*	—	1
4. **The Right Stuff** *(Warner)* **GP**	1	3
5. **Terms of Endearment** *(Paramount)*	3	4
6. **Lassiter** *(Warner)*	9	2
7. **Splash** *(Touchstone)*	—	1
8. **Blame It On Rio** *(Vestron)*	5	3
9. **Educating Rita** *(RCA/Columbia)*	4	3
10. **Swing Shift** *(Warner)*	—	1
11. **Scarface** *(MCA)*	6	4
12. **Tank** *(MCA)* **GP**	8	3
13. **Unfaithfully Yours** *(CBS/Fox)*	12	2
14. **Silkwood** *(Embassy)*	7	4
15. **Sudden Impact** *(Warner)* **GP**	14	6
16. **Purple Hearts** *(RCA/Columbia)*	—	1
17. **All the Right Moves** *(CBS/Fox)* **GP**	17	4
18. **Uncommon Valor** *(Paramount)*	11	5
19. **The Dresser** *(RCA/Columbia)*	—	1
20. **Hotel New Hampshire** *(Vestron)*	—	1
21. **Raiders of the Lost Ark** *(Paramount)*	22	10
22. **Christine** *(RCA/Columbia)*	13	4
23. **Gorky Park** *(Vestron)*	15	5
24. **Hard to Hold** *(MCA)*	—	1
25. **Children of the Corn** *(Embassy)*	10	3
26. **Romantic Comedy** *(CBS/Fox)*	26	2
27. **Harry and Son** *(Vestron)*	19	2
28. **The Dead Zone** *(Paramount)*	23	6
29. **Iceman** *(MCA)*	—	1
30. **Vertigo** *(MCA)*	[illegible]	3

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Home Video)* **GPI**	1	27
2. **Footloose** *(Paramount)*	—	1
3. **Terms of Endearment** *(Paramount)*	2	4
4. **Raiders of the Lost Ark** *(Paramount)*	6	11
5. **The Making of Michael Jackson's 'Thriller'** *(Vestron)*	4	9
6. **Mickey** *(Walt Disney)*	3	4
7. **Romancing the Stone** *(CBS/Fox)*	—	1
8. **The Big Chill** *(RCA/Columbia)*	5	2
9. **The Right Stuff** *(Warner)*	—	2
10. **Do It Debbie's Way** *(Video Associates)*	9	4

Top 5 in laserdisc sales

1. **Romancing the Stone** *(CBS/Fox)*	—	1
2. **Splash** *(Touchstone)*	—	1
3. **Footloose** *(Paramount)*	—	1
4. **Rear Window** *(MCA)*	—	2
5. **Blame It On Rio** *(Vestron)*	—	1

Top 5 in CED videodisc sales

Due to what appears to be diminishing interest on the part of retailers and consumers alike, *Merchandising* will no longer list CED videodisc sales beginning with this issue. Next month, *Merchandising* will begin to list the Top 5 in Alternative Programming in this space every month. This reflects not only the shrinking interest in CED, but also the rise of exercise tapes, music videos and how-to tapes as saleable commodities.

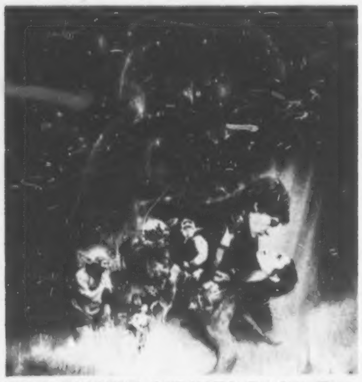
G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX VIDEO



THE EMPIRE STRIKES BACK The battle to save the galaxy from the evil Darth Vader and the Imperial Force continues in this sequel to Star Wars. Mark Hamill portrays Luke Skywalker and Carrie Fisher plays Princess Leia. Old-time favorites, such as Chewbacca and C-3PO are also featured. *Color PG 124 minutes VHS hifi Beta hifi C: $79.98.*

KARL

JOHN LENNON INTERVIEW (1975) Lennon is interviewed by Tom Snyder on the Tomorrow Show. Topics discussed include the break-up of the Beatles, the controversy of his bed-ins with wife Yoko and the legal battle he waged to stay in the United States. *45 minutes C: $29.95.*

LILY TOMLIN SPECIAL: VOL. I Tomlin's repertoire of classic characters including Ernestine the telephone operator and the impish Edith Ann are presented in this program. This is the first offering under Karl Home Video's new rental oriented label. *Color C: $39.95.*

NO SWEAT All pro football star Lyle Alzado promises to rip the lips off of home exercisers who fail to keep pace with his medically endorsed fitness program. The video begins with stretching and a warm-up and leads into an aerobic/endurance segment. It concludes with an integrated cool and stretch. *Color 60 minutes C: $39.95.*

KEY VIDEO

A MIDSUMMER NIGHT'S DREAM (1935) Shakespeare's classic stars James Cagney in one of his most unusual roles. The picture features Olivia de Havilland in her screen debut and Mickey Rooney as Puck. *b/w 118 minutes $59.98.*

PETRIFIED FOREST (1936) This story is about a gangster on the run, and stars Humphrey Bogart in one of the first roles for which he gained wide recognition. Bette Davis, Leslie Howard and Porter Hall also star. *b/w 83 minutes C: $59.98.*

MCA

BRIDE OF FRANKENSTEIN (1935) Frankenstein meets a strange scientist named Dr. Praetorius who decides that the Monster (Boris Karloff) needs a mate. Praetorius builds a female monster who recoils from Frankenstein's love. Frankenstein cries out and destroys them all in a final blaze of destruction and fury. *b/w 75 minutes Beta hifi mono C: $39.95.*

FIRESTARTER (1984) Two college students volunteer for a research project during which they are given an injection of a substance called Lot Six, which leaves them with unusual psychic abilities. They later marry and have a child who has the ability to set people and things on fire with just a glance. *Color R 115 minutes Beta hifi mono C: $79.95.*

THORN EMI

CONVOY (1978) Kris Kristofferson plays a trucker who looks to pick a fight with the local sheriff (Ernest Borgnine). Kristofferson and his girlfriend (Ali McGraw) join forces with his fellow drivers via CB radio to form a mile-long truck convoy which speeds along the Arizona highways toward the freedom of the Mexican border. *Color 106 minutes R Beta hifi C: $79.95.*

RAQUEL: TOTAL BEAUTY AND FITNESS Raquel Welch demonstrates a series of exercises designed to keep women and men of all ages in great shape. The tape will be released to coincide with the publication of this star's new book, Raquel: The Raquel Welch Total Beauty and Fitness Program, published by Holt, Rinehart & Winston. *Color 90 minutes C: $39.95.*

USA HOME

EMBRYO Rock Hudson plays a scientist who develops a fantastic growth hormone which enables embryos to grow to adults in 4½ weeks. Barbara Carrera and Hudson deliver a breathtaking love scene, and other stars include Roddy McDowell and Diane Ladd. *Color Beta hifi C: $59.95.*

WARNER

GREYSTROKE: THE LEGEND OF TARZAN, LORD OF THE APES (1984) Lord John Clayton, seventh Earl of Greystroke, is brought up by a mystified band of apes. When he goes home to the Scottish highlands, the conflict builds up. *Color PG 130 minutes VHS hifi Beta hifi C: $79.95 LV: $39.98.*

HEARTBEAT CITY Inspired by the Cars' platinum selling album, this music video features exclusive video clips and performance footage not available elsewhere. Such hit songs as You Might Think, Why Can't I Have You and Shake It Up are included. *Color VHS hifi Beta hifi C: $29.95.*